

NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

Monday, 17th July, 2017, 6.00 pm - Civic Centre, High Road, Wood Green, N22 8LE

Members: Councillors Charles Wright (Chair), Pippa Connor (Vice-Chair), Kirsten Hearn, Emine Ibrahim and Tim Gallagher

Co-optees/Non Voting Members: Yvonne Denny (Co-opted Member - Church Representative (CofE)), Luci Davin (Parent Governor representative) and Uzma Naseer (Parent Governor Representative)

Quorum: 3

1. **FILMING AT MEETINGS**

Please note that 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.

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. **APOLOGIES FOR ABSENCE**

3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item 14 below).

4. DECLARATIONS OF INTEREST

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

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

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

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

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

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

6. MINUTES (PAGES 1 - 8)

To approve the minutes of the 13th June as a correct record.

7. MINUTES OF SCRUTINY PANEL MEETINGS (PAGES 9 - 20)

To receive and note the minutes of the following Scrutiny Panels and to approve any recommendations contained within:

Housing & Regeneration Scrutiny Panel – 6th February

8. CORPORATE PLAN 2015-18 PRIORITY PERFORMANCE UPDATE ON BUILDING A STRONGER HARINGEY TOGETHER (PAGES 21 - 28)

The report provides an update to the Overview and Scrutiny Committee of performance against the outcomes and strategic priorities in the Corporate Plan 2015-18, reflecting the latest data available as at June 2017. It provides an overview of key performance trends and an assessment of progress against targets and objectives on an exception basis.

9. PROVISIONAL OUTTURN 2016/17 (PAGES 29 - 52)

This report sets out the Council's provisional budget outturn for the year ended 31 March 2017. It sets out the provisional revenue and capital outturn for the General Fund showing the variances against budget together with the

movements on reserves and the provisional capital and Housing Revenue Account (HRA) revenue outturn. It also provides explanations of significant under/overspendings

10. UPDATED TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18 - 2019/20 (PAGES 53 - 128)

The report sets out the updated Treasury Management Strategy Statement and Prudential Indicators for 2017/18 – 2019/20 to OSC before it is presented to Corporate Committee and then Full Council for final approval.

11. SCRUTINY REVIEW ON FEAR OF CRIME (PAGES 129 - 164)

The report sets out the findings of the review by the Environment & Community Safety Scrutiny Panel into fear of crime.

12. OVERVIEW AND SCRUTINY ANNUAL REPORT 2016/17 (PAGES 165 - 194)

The Overview and Scrutiny Annual Report details the work of the five scrutiny bodies in Haringey, and the North Central London Joint Health OSC.

13. OVERVIEW & SCRUTINY WORK PROGRAMME (PAGES 195 - 226)

The report outlines the indicative 2016/17 scrutiny work programme for approval by the Overview and Scrutiny Committee.

14. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

15. FUTURE MEETINGS

To note the dates of future meetings:

16th October 2017
21st November 2017
16th January 2018
29th January 2018
26th March 2018

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Friday, 07 July 2017

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MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON TUESDAY, 13TH JUNE, 2017, 19:00

PRESENT:

Councillors: Charles Wright (Chair), Pippa Connor (Vice-Chair), Kirsten Hearn, Emine Ibrahim, Yvonne Denny and Barbara Blake.

Co-opted Members: Yvonne Denny

33. FILMING AT MEETINGS

The Chair referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

34. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Cllr Gallagher. Cllr Barbara Blake attended the meeting as substitute.

35. URGENT BUSINESS

There were no items of Urgent Business.

36. DECLARATIONS OF INTEREST

There were no declarations of interest.

37. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

The Committee received a deputation from Rev. Paul Nicholson on behalf of Northumberland Park Supporters Group.

Rev. Paul Nicholson presented the deputation. NOTED:

- a. There were a significant number of academic studies which showed the impact of low incomes and debt on health outcomes.
- b. Dr Angel Donkin of the Institute of Health Equity argued that "Income impacts on health directly; for instance insufficient money to heat your home or buy a healthy balanced diet. Cold homes increase rates of respiratory disease, cardiovascular disease, excess winter deaths and mental illness. Inadequate diets increase the risk of malnutrition, obesity, diabetes and cardiovascular disease. Debt impacts on health indirectly through increased stress, depression and anxiety."

- c. Job Seekers Allowance has depreciated in value since 1979. It was argued that a benefit claimant receiving £73.10 a week in JSA was unable to provide themselves with a healthy diet. The benefit system was so inadequate that parents needed their child's benefits to survive, and the disabled are forced into destitution when they fail the work capability assessment and their disability benefits are stopped.
- d. Rev. Nicholson advised that low birth weight levels were high in Northumberland Park. Poor maternal nutrition and low birth weight had, since 1972, been described as the strongest predictor of poor learning ability, school performance, behavioural disorders and crime by the Institute of Brain Chemistry and Human Nutrition.
- e. The Committee was advised that money spent on increasingly unaffordable levels of rent competed with food, fuel and water. The result was a record increase in evictions, record admittance to hospital with malnutrition and unprecedented rises in mortality and infant deaths in 2015 at national level.
- f. Northumberland Park was the most deprived ward in the Borough. Rev. Nicholson contended that the Council was required, under the Health and Social Services Act 2012, to improve the health of local population. It was suggested that the Council was already exacerbating the situation by extracting council tax from benefit claimants.
- g. It was anticipated that the HDV would exacerbate problems further. Rev. Nicholson argued that council housing was the only housing whose affordability the Council could ensure as landlords. It was feared that the HDV would result in more tenants being at the mercy of a booming housing market. This would result in an even greater proportion of disposable income being spent on rent at the expense of other necessities, leading to even greater poverty and higher levels of ill-health.

In response to the deputation, the Committee sought clarification on what, in the depute's opinion, effect the HDV would have on housing issues and poverty in the area. In response Rev. Nicholson argued that the biggest effect was that the HDV would break up communities and the local networks that residents relied upon. Rev. Nicholson outlined a recent example where a person was relocated from the Love Lane estate and the pay-off that he received was sequestered by HfH to pay off his rent arrears. In addition, the rent in his new accommodation went up by one band and so he was not offered the exact same terms as he was on previously. Rev. Nicholson advised that this person's dire financial situation was compounded by high rent levels and ongoing rent and council tax arrears. The health and wellbeing of residents was also seriously undermined by deprivation.

The Committee enquired whether the depute advocated a process of a wholesale refurbishment of an estate as opposed to a HDV style proposal. Rev. Nicholson acknowledged the need to renovate, but he believed that the Council should ensure that existing networks were maintained and that it continued to provide

council housing, as it was the only affordable housing available in the market. The Committee was advised that rent was taking up a huge proportion of disposable income from those on the lowest income and it was affecting people's ability to pay for other essential goods. A further problem with Council Tax and rents was the severe penalties for non-payment and the worsening effect that this had on people's ability to meet their food, heating and transport needs etcetera. Rev. Nicholson advocated that poverty levels and the impact on health were so serious that the HDV would only shift the problem elsewhere.

The Committee sought Rev. Nicholson's views on the Right to Buy scheme and in particular the effects it had on undermining council housing provision, noting that homes built under the HDV would not be eligible for Right to Buy. Rev. Nicholson expressed his opinion that the RTB scheme was a disaster from the beginning but suggested that the disaster would not be solved by the HDV as significant numbers of council housing had already been lost. An exemption from Right to Buy would only affect new homes built by the HDV. Rev. Nicholson welcomed the Council's decision to cover the benefit cap for single mothers, but was concerned at cuts to councils services in general. He warned that access to relief or support services due to personal financial crises were always required within an immediate timeframe.

The Committee acknowledged that there were significant concerns with rent arrears and council tax arrears and that the report had considered ways to alleviate these issues. The Committee sought Rev Nicholson's views on the differences between a secure Council tenancy and a private sector tenancy. In response, Rev. Nicholson advised that secure tenancies contained greater safeguards and were nevertheless preferable but also advised that similar problems existed for both. The main issue was the relationship between income levels and rent levels. Rev. Nicholson commented that, for those on a zero hour contract, there was ever-present risk that they may have no income in a particular month and that this could result in eviction. Rev. Nicholson suggested the Council did not have a duty to re-house single adults who were evicted and that they would effectively be made homeless. In this scenario, there was very little difference between a secure Council tenancy and a private sector tenancy.

38. MINUTES

RESOLVED

That the minutes of the OSC meeting of 27th March be agreed as a correct record of the meeting.

39. MINUTES OF SCRUTINY PANEL MEETINGS

The Committee received and noted the minutes of the following Scrutiny Panels and approved any recommendations contained within:

Children and Young People Scrutiny Panel – 16th March 2017
Environmental & Community Safety – 21st December 2016 & 9th March 2017

The Committee enquired about the status of the Onside group referenced in the minutes of the Children and Young People Scrutiny Panel. Cllr Hearn understood the Purdah period had delayed holding the first meeting.

Councillor Connor undertook to ask the Cabinet Member for Communities to provide an update on the Onside group. **(Action: Cllr Connor).**

40. TERMS OF REFERENCE AND MEMBERSHIP

The Committee received a report which set out the terms of reference and membership of the scrutiny panels for 2017/18. The report also set out the appointment of two Haringey representatives to the NCL Joint Health Overview and Scrutiny Committee (JHOSC).

The Committee noted that that the OSC budget scrutiny meeting for Priority X in January would be chaired by the Chair of budget scrutiny.

The Committee also noted that Cllr Waters was to added to the membership of the Housing & Regeneration scrutiny panel.

RESOLVED

- I. To note the terms of reference (Appendix A) and Protocol (Appendix B) for the Overview and Scrutiny Committee.
- II. To establish the following Scrutiny Panels for 2017/18:
 - Adults and Health
 - Children and Young People
 - Environment and Community Safety
 - Housing and Regeneration
- III. To approve the terms of reference/policy areas and membership for each Scrutiny Panel for 2017/18 (Appendix C)
- IV. To appoint Councillors Connor and Wright as the two Haringey representatives to the North Central London Joint Health Overview and Scrutiny Committee for 2017/18.

41. NORTH CENTRAL LONDON JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE (JHOSC) - AMENDED TERMS OF REFERENCE

The Committee received a report which amended the terms of reference of the JHOSC to ensure the option for the JHOSC to make referrals to the Secretary of State when responding to formal consultations on substantial developments or variations to local health services.

RESOLVED

- I. That the Committee recommend to Council that it delegates formally the right of referral to the secretary of state in responding to formal consultations involving all of the Councils on the JHOSC, pursuant to Regulation 23 (9) of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

42. HOUSING AND REGENERATION PANEL REPORT ON THE HDV

Cllr Ibrahim, Chair of the Housing and Regeneration Scrutiny Panel introduced the report. The Committee was advised that the report was a follow-up to the interim review carried out by the Housing and Regeneration Scrutiny Panel with the intention of providing recommendations on the governance arrangements for the proposed HDV. The Chair of the Housing and Regeneration Scrutiny Panel advised that a number of issues arose during the review which, although falling outside of the agreed terms of reference, the Panel felt prudent to include in the final report.

The Chair of the Housing and Regeneration Scrutiny Panel commented that a key recommendation was around the development of an updated business case for the HDV in light of changing political and economic circumstances. A number of recommendations also reflected concerns that the Panel felt around exclusivity agreements and risk.

The Committee was asked to consider whether the report fell out with the specific terms of reference of the review and whether the Committee accepted the recommendations and findings, on the basis of their importance and relevance to the subject matter.

The Committee AGREED to the revised scope of the review, as reflected in the report.

The following arose during the discussion of the report.

- a. A committee member sought assurances around the breadth of evidence that was used to draw the conclusions presented in the report. The committee member also raised concerns that the examples drawn upon in the report did not necessarily reflect the model proposed under the HDV. In response the Chair of the Housing & Regeneration Scrutiny Panel advised that evidence was drawn from a range of different sources including the Centre for London and Oxford District Council, neither of which were opposed to the HDV in principle. The Chair of the Housing & Regeneration Scrutiny Panel emphasised that there was no direct comparison with other schemes due to the nature and scope of the proposed scheme under the HDV and that to some extent this was reflected in the number of recommendations in the Panel's report.
- b. In relation to the example of the Sheffield Housing company, which adopted a model with a 50/50 partnership agreement, the Committee was advised that

- this example had been noted as part of the evidence gathering process. The panel considered that the Sheffield Housing company had adopted a different structure and that that scheme only related to Brownfield sites, as result, the panel felt that the scheme was a very different model and could not be compared directly with the HDV.
- c. The Chair invited Cllr McNamara to address the Committee. Cllr McNamara emphasised that the report and its recommendations received the unanimous support of the Housing & Regeneration Scrutiny Panel. Similarly, the Committee was advised that the evidence gathering process was both objective and robust. It was summarised that, in the view of the Scrutiny Panel member, there were two main conclusions to draw from the process; firstly that alternatives to the HDV did exist and that secondly, more work needed to be undertaken to scrutinise and better understand the implications of the HDV.
 - d. The Chair of the Housing & Regeneration Scrutiny Panel clarified that recommendation 16f, which proposed a ballot of tenants and leaseholders, was not agreed unanimously by all panel members.
 - e. The Committee was advised that the external political climate was looking increasingly uncertain; particularly in light of the UK's exit from and future relationship with the EU. The recent General Election result, the resulting protracted process of forming a government and the increased likelihood of another General Election also suggested an increasingly unstable political climate. In light of these reasons, the panel member advocated that the HDV should be put on hold to allow other options to be explored and the business plan to be reconsidered.
 - f. The Chair of the Children and Young People Scrutiny Panel had three broad areas of concern: A lack of robustness in the related Equality Impact Assessments; the apparent misapprehension that the HDV was not the only way to mitigate the Council's exposure to Right to Buy, and the need to ensure that there was the requisite levels of officer experience and independent advice underpinning the Council's decision making going forward. In response to the last point, the Chair of the Housing & Regeneration Scrutiny Panel drew the Committee's attention to recommendation 9 of the report. The Committee were advised that recommendation 9 should be amended to read: "A professional independent advisor should be appointed, by the Council to *support* the HDV Board to ensure Haringey board members had a clear understanding of the matters put before them and the implications of any decision made by the board."
 - g. Concerns were raised that the original business case for the HDV dismissed the option of establishing a company that was wholly owned by the Council. A number of other local authorities, such as Brighton & Hove City Council had adopted this model and the Committee was asked to reflect on why, by contrast, there were no examples of 50/50 ventures being implemented. In response to a suggestion that the crucial difference was the scale of development being proposed under the HDV, the Chair of the Housing & Regeneration Scrutiny Panel drew the Committee's attention to recommendation 19; which proposed the establishment of a wholly-owned housing company to purchase and manage HDV affordable homes and target rent social homes.
 - h. Clarification was sought around whether there would be any decant costs and who would pay those and when. Clarification was also sought on the level of

financial risk to the Council if the HDV was paused at this stage. In response it was noted that as per legal advice sought in relation to the previous report on the HDV, there was no liability to the Council if it withdrew prior to signing the agreement at Cabinet on 3rd July.

- i. The Board noted that recommendation 4 around establishing a robust set of measures to audit the work of the HDV should be amended to reflect the fact that it would be the responsibility of Corporate Committee to oversee the audit process not Cabinet.
- j. The Legal advisor to the Board commented that recommendations 28 and 29 were actions for the Overview and Scrutiny Committee and asked the Committee to note that it would be for OSC to implement.

The Committee AGREED that the text of Rev. Nicholson's deputation be appended to recommendation 14 of the report and that Cabinet be asked to note its contents.

RESOLVED

- I. That the Overview and Scrutiny Committee considered the findings of the Housing & Regeneration Scrutiny Panel at Table 1 of the report.
- II. That, with the Committee's comments and amendments incorporated, the report be submitted to Cabinet, on 3rd July for response.

43. OVERVIEW & SCRUTINY WORK PROGRAMME DEVELOPMENT 2017/18

The Chair of OSC introduced the report as set out.

The Chair of the Children & Young People's Scrutiny Panel advised the Committee that the panel would be focusing on three main projects this year:

- Supporting asylum seeking and refugee children
- Care leavers
- Restorative Justice

The Chair of OSC advised the Committee that the terms of reference for the Parks scrutiny project was being developed and would be available shortly.

RESOLVED

- I. To agree the outline work programme for Overview and Scrutiny for 2017-18 as per paragraph 4.7 of the report;
- II. To approve the draft Scope and Terms of Reference for the Environment and Community Safety Scrutiny Panel's review of Residential Street Sweeping, attached at Appendix A

44. COMPLAINTS UPDATE

This item was deferred to the next meeting of the Committee. **(Action: Clerk).**

45. NEW ITEMS OF URGENT BUSINESS

None.

46. FUTURE MEETINGS

That the future meeting dates be noted:

17th July 2017

16th October 2017

21st November 2017

16th January 2018

29th January 2018

26th March 2018

CHAIR: Councillor Charles Wright

Signed by Chair

Date

**MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY
PANEL HELD ON MONDAY, 6TH FEBRUARY, 2017, 6.35 - 10.10 pm**

PRESENT:

Councillors: Emine Ibrahim (Chair), John Bevan, Martin Newton and Zena Brabazon

ALSO PRESENT:

Councillor: Joe Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability

13. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

14. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Cllr Gail Engert, Cllr Tim Gallagher and Cllr Stuart McNamara.

15. URGENT BUSINESS

None.

16. DECLARATIONS OF INTEREST

None.

17. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

18. MINUTES

As outlined in section 8.6 of the minutes from 14 December 2016, it was noted that the Managing Director of Homes for Haringey needed to provide an update to the Panel, on issues raised relating to Move 51° North.

AGREED: That the minutes of the meeting held on 14 December 2016 be approved as a correct record.

19. CABINET MEMBER Q&A

The Chair welcomed Councillor Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability, to the meeting.

In view of the Panel's terms of reference, Councillor Goldberg provided an update on his responsibilities relating to Wood Green Regeneration; Sustainability; and Carbon Reduction.

The following points were discussed:

- The work that was taking place to establish a District Energy Network (DEN) for the North Tottenham area to support regeneration, and to commence a procurement process to procure contractor/s to design, construct, operate and maintain the DEN infrastructure, as well as perform billing and metering of customers. It was agreed it was important to keep ward councillors informed of developments in this area.
- Issues in relation to the proposed Haringey Development Vehicle, including consideration of Council-owned sites in Wood Green (Civic Centre, Library, Station Road) identified as part of phase one.
- The Investment Framework for Wood Green (commissioned in October 2014) that aimed to return Wood Green to one of London's top metropolitan town centres. It was noted that alongside the Investment Framework an Area Action Plan would be prepared in parallel. The Panel was informed this would update the planning policy framework and give statutory weight to the spatial development option progressed for the Wood Green area. It was noted this would follow the same process as the Tottenham Area Action Plan.
- The Panel expressed a view that it was essential to address the issue of the travellers site, in order to achieve the maximum value from the current Civic Centre site. Officers advised that the Council was obliged to re-house any residents in the event that the travellers site were closed, and that the cost of this needed to be taken into consideration against the value that would be added to the Civic Centre site by doing so. It was confirmed that a crossdepartmental group was currently working on the issues around the travellers site at present, including a needs assessment; the outcome of a current legal challenge to the proposed change in the Government definition of travellers was awaited and the impact of this would then be considered.

The Panel was advised that as part of commitments to bring new activities, cultural events and entertainment to Wood Green, the Council had launched a dedicated project to bring vacant land, a car park and buildings in Station Road back to life with funding secured from the GLA to deliver: Creative workspaces; Food and drink events, Art exhibition spaces; and Better evening activities.

The Panel was informed that the first part of this project to be developed was the Green Rooms Art Hotel at 13-27 Station Road which opened in June 2016. In addition, the Council had been working to develop underused offices at 40 Cumberland Road into additional work spaces and studios for local businesses which would open during 2017.

In response to questions, Cllr Goldberg agreed to provide members of the Panel with further information concerning the types of rent and the support that was available to

the Green Rooms Art Hotel, and local businesses using accommodation at 40 Cumberland Road.

During the discussion it was noted there were no BIDs in Haringey. However, the Panel was informed that there was an expectation that Haringey would support and promote the development of BIDs in partnership with local businesses. It was noted that Haringey had commissioned a feasibility study for Wood Green in 2016 – the outcomes had been positive with over 100 businesses responding to surveys and with 67% of businesses interviewed saying a BID would be a good idea. The Panel was informed that in February 2017 Haringey would appoint a specialist consultant to support the development of a BID in Wood Green.

The Panel was advised that as part of the appointment, the BID consultant would deliver a number of projects to demonstrate to businesses how a BID may be able to improve the trading environment.

AGREED: That the update from the Cabinet Member for Economic Development, Social Inclusion and Sustainability be noted.

20. SELECTIVE LICENSING UPDATE

Eubert Malcolm, Head of Community Safety and Enforcement, and Steve Russell, Head of Private Sector Housing, provided an update on additional, mandatory and selective licensing.

The Panel was informed that:

- Mandatory licensing (outlined in Part 2 of the 2004 Housing Act) was initially intended to apply only to larger, higher risk, HMOs of 3 or more storeys occupied by 5 or more people, forming two or more households. It was noted that Haringey had licensed 429 HMOs.
- The Housing Act 2004 had also introduced discretionary licensing:
 - o Additional Licensing – to cover HMOs outside of Mandatory Licensing
 - o Selective Licensing – to cover all other private sector dwellings (with some exemptions).
- Haringey had introduced two additional licensing schemes:
 - o Harringay Ward, although it was noted this was no longer active
 - o The Tottenham Scheme. covering all, or in part: Northumberland Park, Bruce Grove, Tottenham Hale and Tottenham Green and Seven Sisters.
- 1174 properties had been licensed in total, with 750 relating to additional schemes.

Mr Malcolm explained that a consultation paper had been issued in November 2016, concerning an extension to mandatory licensing. The Panel was informed that, following responses, the Government had decided:

- Mandatory licensing should cover all relevant HMOs, regardless of the number of storeys.
- Mandatory licensing should be extended to include all flats in multiple occupation above and below business premises.
- A new minimum HMO room size would be proposed for properties that had been licensed under a mandatory HMO or additional licensing scheme.
- To introduce new mandatory licence conditions relating to the disposal of household waste and an automatic 50% licence fee discount for certain purpose built student accommodation blocks.

Despite 81% of respondents being in favour, the Panel was informed that the Government had disagreed that poorly converted blocks of flats should form part of mandatory licensing.

In terms of selective licensing, the Panel was advised that changes to legislation, in April 2015, had meant that local authorities were required to obtain confirmation from the Secretary of State for any selective licensing schemes covering more than 20% of the geographic area or affecting more than 20% of private rented properties.

Mr Malcolm explained that the evidence base for any selective licensing scheme would need to demonstrate:

- An area was experiencing a significant and persistent problem caused by anti-social behaviour.
- Low demand housing
- That some or all of the private sector landlords were failing to take appropriate action to combat the problem

In addition, and as set out in “*Selective licensing in the private rented sector – A guide for local authorities*” (DCLS March 2015), it was noted that since April 2015 conditions had been extended to include one or more of the following: Areas that have a high proportion of PSH; Poor property conditions; High levels of migration (including within a country); High levels of deprivation; High levels of crime.

It was noted that the evidence base for any scheme needed to be robust and in place before consultation. The following points were considered:

- The importance of local authorities identifying the objective(s) that a scheme would help to achieve and how.
- The importance of considering other courses of action available.
- The importance of any scheme being consistent with overall Housing Strategy.

- The need to ensure any scheme was part of a co-ordinated approach when dealing with homelessness, empty properties, ASB etc.
- The need to consider any potential negative economic impact.
- The need to show how partners were working in the designated area to combat ASB, deprivation etc.

Mr Malcolm concluded his presentation by providing an update on the Housing and Planning Act 2016 Consultation on Banning Orders. The following issues were discussed: Civil penalties; The extension of rent payment orders following additional convictions; The national rogue landlord database; Banning orders and management orders.

Moving forwards, it was noted the council would: Keep an eye on the extension of mandatory licensing; Revisit the impact of the Housing and Planning Act 2016; Continue to work on the additional licensing scheme in Tottenham; Determine a way forward in relation to selective licensing.

The Chair advised that this was Mr Russell's last meeting as he was leaving the Council's service. On behalf of the Panel the Chair placed on record her thanks to Mr Russell for all of his efforts in managing the Private Sector Housing Team.

AGREED:

- (a) That the verbal update on additional, mandatory and selective licensing be noted.
- (b) That an update on selective licensing be considered by the Housing and Regeneration Scrutiny Panel in October 2017.

21. SUPPORTED HOUSING REVIEW

Dan Hawthorn, Assistant Director for Regeneration, provided an overview of the activities and findings of the Supported Housing Review and the steps that would be required to take the project to its completion.

Gill Taylor, Project Manager (Supported Housing Review), provided further information via a presentation. The Panel was informed that supported housing was funded by two council departments, Housing and Social Care, and it was noted it was a preventative provision designed to reduce homelessness and social exclusion and address social care needs.

Ms Taylor explained:

- The Supported Housing Review had commenced in January 2016 as a joint project between Adults and Housing.
- The Review had been a project under Priority 5 of the Corporate Plan with clear links to Priorities 1 and 2.

- The purpose of the review was to consider supply and demand, and the efficacy of support models and built environments for a range of client groups and service types.
- Work in this area would complement and contribute to the Housing Strategy, Homelessness Delivery Plan and planned changes to aids and adaptations and day opportunities.
- Phase 2 of the project concluded with the finalisation of an in-depth needs and gaps analysis report.
- Phase 3 had seen a range of options generated with evidence gathering activities based around the identified gaps in provision.
- Phase 4 would see the project to its conclusion by approval of its final recommendations, some of which required Cabinet approval (in March 2017).

During the discussion it was recognised, following the general election in 2015, that major changes in national housing, planning and welfare policy had been introduced. It was explained that this context had been recognised and a framework developed that sought to find relevant solutions amidst a changing housing and welfare landscape that had a significant impact on key strategic priorities.

In terms of findings, Ms Taylor explained that the Supported Housing Review had undertaken an in depth needs and gaps analysis, including a range of quantitative research activities, including but not limited to: population analysis, voids and utilisation performance, financial modelling, cross-borough benchmarking and performance monitoring analysis. It was noted that the aim of this was to create a baseline of numerical data about vulnerable individuals and services to compare the availability, quality and success of services for different groups.

The Panel was informed that the review had prioritised engaging with a wide range of stakeholders. It was noted that the experiences, needs and insights of vulnerable residents and specialist staff had been central to the review's findings. Elected members had also been engaged in the review via regular meetings, including the Panel's Scrutiny in a Day session on older people and a dedicated Members working Group.

In response to questions, Ms Taylor highlighted that a number of universal issues and priorities had emerged from the review, including:

- Supported housing was highlighted as a cost effective resource that reduced and managed demand on a range of other acute and reactive housing and social care provision.
- Despite the preventative intention of housing related support, it was clear that most people who accessed supported housing did so after a period of crisis rather than to prevent one.

- Many of the supported housing delivery models that were in place had not changed for a long period of time and were no longer in line with best practice or the current or projected needs of vulnerable Haringey residents. This had resulted in an imbalance between the amount and type of housing support available and what was actually needed.
- Aspirations for vulnerable people in supported housing was felt to be low, with limited options for increasing independence and inclusion and high rates of eviction, abandonment and repeat stays in supported housing for some client groups.
- A lack of integration between housing support and social care services and strategies had led to inefficient use of resources both human and financial, with clear opportunities to find savings through improved practice.

As well as the universal findings, the Panel was informed that four client groups had emerged as priorities. It was noted that data intelligence and insights from service users and stakeholders had identified a need to modernise, rebalance and strengthen the Council's housing support offer to the following groups as a priority: Older People; Young People; Learning Disabilities; and Mental Health. Ms Taylor informed the Panel of the needs and gaps for each group, as outlined in section 4.18 of the report.

In response to questions, and in view of the issues outlined above, Ms Taylor explained that it was proposed that a Housing Support Transformation Framework would be developed. It was noted that this would act as a driver for change in housing support commissioned by all areas of the Council. The Panel was informed that the framework would provide a set of underpinning principles and delivery recommendations to address issues and opportunities identified by the Supported Housing Review.

The Panel was informed that the proposed principles, set out in section 4.19 of the report, would be based on the following: Cross-cutting prevention; Community Inclusion; Integrating Support and Care; and Commissioning for the Future.

It was noted that the final recommendations of the Supported Housing Review would be considered by Cabinet in March 2017. The Panel was informed that once agreed, the principles above would guide the design and delivery of a refreshed housing support offer, initially for the four priority groups but moving forward these would also underpin commissioning for other relevant client groups.

To ensure supported housing tenants were informed, involved and assured of the Council's commitment to meeting their needs, Ms Taylor concluded her presentation by informing the Panel that a Supported Housing Tenants Charter would be produced alongside the final recommendations.

Following the presentation, the Panel gave feedback that much of the change recommended for supported housing was obvious and overdue, with much of the discussion focussing on improving working practices in supporting older people. The Panel was also keen that sheltered housing tenants should be actively involved in shaping any changes to their service.

AGREED:

- (a) That the activities and findings of the Supported Housing Review be noted.
- (b) That the Panel's comments, highlighted in the minutes above, be included in the Housing Support Transformation report to Cabinet in March 2017.

22. TOTTENHAM AND WOOD GREEN REGENERATION PROGRAMMES

Helen Fisher, Programme Director, Tottenham Regeneration, introduced the report as set out, providing an update on: The Tottenham and Wood Green Regeneration Programmes; Lessons learned from the (more advanced) Tottenham programme that could be applied to the Wood Green programme; Area Action Plan development and consultation; Supplementary strategies; Consultation (statutory and non-statutory); Communications; Stakeholder engagement; Socio-economic regeneration (the People Priority); High Streets; and Programme management.

Ms Fisher advised that a Regeneration, Planning and Development restructure proposal had been consulted on with officers between December to January 2017. It was noted that the proposal was to bring all regeneration activity together under one Director. The Panel was informed that the proposal would result in resources such as communications and programme management being shared to enable a greater exchange of best practice

In response to questions, the Panel was informed that:

- The sale of Apex House to Grainger Plc was completed in late 2016 and construction work was due to start on site by Spring 2017.
- In November 2015 Cabinet had agreed to make a compulsory purchase order (CPO) to assist in assembling land needed to implement the Wards Corner development as part of the regeneration vision for Seven Sisters and Tottenham. The Panel was informed that the council had received formal notification from the National Planning and Casework Unit in December 2016 advising that the Secretary of State for Communities and Local Government had decided to hold a public local inquiry into the CPO. It was noted that the next stage for the council was to submit its Statement of Case to the Secretary of State and to each remaining objector.

In terms of communications, the information set out in section 6 of the report was noted. The Panel agreed it was important to reach all residents by ensuring effective use of accessible communications formats. It was noted that the following lessons had been learned:

- The importance of having a dedicated resource for communications which enabled regular, timely and targeted communications.
- Clarification of core communication messages supported by a communications strategy and plan.

- The importance of regular, transparent updates making use of a robust website and face to face communications; and
- Enhancing the use of social media and embracing this as an evolving and vital communication channel.

During discussion a number of issues were considered, including:

- Ongoing maintenance issues concerning West Green Road's Pocket Park and the Morrison Yard site on the High Road, Tottenham.
- An update on the N17 Design Studio partnership between Haringey Council, John McAslan and Partners, and the College of Haringey, Enfield and North East London, as outlined in section 9.6 of the report.
- Various issues concerning the funding and investment package for Tottenham, as outlined in section 2 of the report.
- The fact that the Council had held an annual Tottenham conference in July, and had published an annual update to the Tottenham Delivery Plan.
- Issues concerning the Leader of the Council's decision (November 2016) to grant a 99 year lease to Tottenham Hotspur Football Club for their outside broadcast facilities.
- The role of the Tottenham Landowners and Major Businesses Group.
- The work of the of the Wood Green Business Forum, formed in July 2015, including the development of a "Love Wood Green, Shop Wood Green" brand for Wood Green events.

AGREED: That the update on the Tottenham and Wood Green Regeneration Programmes be noted.

23. SUPPORT TO DISTRICT HIGH STREETS

Vicky Clark, Head of Economic Development and Growth, and Suzanne Johnson, Head of Area Regeneration (Tottenham Green, Bruce Gove and Seven Sisters), provided an update on work that had been carried out by the regeneration and economic development teams to support local (District) High Streets. It was noted that work to support high streets comprised of two key components:

- On-going business engagement work to encourage and support high street traders groups
- Physical/enhancement works.

In terms of business engagement and support, the Panel was informed that the High Streets and small business sector were important for meeting Haringey's corporate

growth priorities and for contributing to the well-being of the borough in the form of employment and community cohesion. Ms Clark explained that, as there was not a borough-wide Chamber of Commerce, it was imperative that the Council undertook engagement and outreach work to sustain and encourage growth.

Ms Clark advised that the council worked directly with the existing High Street business fora of the Wood Green Business Forum, Green Lane Traders Association and Tottenham Traders Partnership. It was noted that many of the traders groups formed when faced with a specific issue such as crime or car parking and would fade away when the matter had been resolved. For example, in 2016, the Council provided co-ordinated support to the traders of Wightman Road who had been affected by road works.

In response to further questions, Ms Clark advised that traders in Hornsey High Road were looking to form a business group whereas those in Muswell Hill and Myddleton Road were established and focused on organising their own local events without much involvement from the Council.

During the discussion a number of issues were considered, including:

- The impending diminution of the Rate Support Grant
- The Council's Business Rates Relief Policy.
- The support provided by the Council in relation to Small Business Saturday – a national campaign that takes place on the first Saturday in December.
- The regular meetings held between the Council's Chief Executive and the Haringey Business Alliance – an umbrella group representing the business fora and traders groups across the borough.

It was acknowledged that winning the trust and cooperation of High Streets and small businesses through business engagement and outreach work was a slow and laborious process. However, it was noted that recent engagement / interceding activities had resulted in increased footfall in the High Streets, thereby improving the financial and employment sustainability of the businesses and further investments from the businesses in the local area.

Ms Clark concluded by informing the Panel that business groups were also provided with proactive support from the Council to undertake specific streetscape improvement works.

The Panel considered the tables on pages 41-43 of the agenda. This information summarised schemes that were being implemented and those enhancements that had been completed over the last decade. It was also noted that Myddleton Road had been voted the London winner in the Great British High Street of the Year Awards (2016).

AGREED: That the work being undertaken to support local (District) High Streets across the borough be noted.

24. LONG MEETING

Before consideration of the Work Programme Update, the Panel considered whether to adjourn the meeting at 10.00pm or continue to enable further consideration of the case in hand.

The Panel **AGREED** to suspend standing orders (Part 4, Section B, Committee Procedure Rules 18) to continue the meeting beyond 10.00pm.

25. WORK PROGRAMME UPDATE

Christian Scade, Principal Scrutiny Officer, provided an update on the proposed work programme for the remainder of the 2016/17 municipal year.

During discussion, the Panel was informed that the terms of reference for scrutiny (stage 2) of the Haringey Development Vehicle would be confirmed by the Overview and Scrutiny Committee before the end of March. With this in mind, the Panel agreed evidence gathering should be completed before Easter and that the terms of reference, for this task and finish project, should include the following:

- To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;
- To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do;
- To establish and provide recommendations on whether overcrowded tenants can be offered a replacement property of a size that meets their needs;
- To further establish and provide recommendations on whether the financial arrangements of the proposed HDV adequately protect the Council's interest;
- To consider the impact of the HDV on the Council's Commercial Portfolio, including the impact on current businesses and those who work in them;
- To consider the impact of the HDV on Metropolitan Open Land;
- To consider the equalities impact of the HDV;
- To further establish the risks of the venture and make recommendations on whether these risks can be adequately mitigated.

AGREED: That, subject to the additions and comments above concerning scrutiny of the Haringey Development Vehicle, the areas of inquiry outlined in Appendix A of the Work Programme Update be approved and recommended for endorsement by the Overview and Scrutiny Committee.

26. NEW ITEMS OF URGENT BUSINESS

None.

27. DATES OF FUTURE MEETINGS

The Chair referred Members present to item 14 as shown on the agenda in respect of future meeting dates, and Members noted the information contained therein'.

CHAIR: Councillor Emine Ibrahim

Signed by Chair

Date

Report for: Overview and Scrutiny Committee: 17 July 2017

Item number: 8

Title: Corporate Plan 2015-18 Priority performance update on Building a Stronger Haringey Together- June 2017



Report authorised by : Charlotte Pomery, Assistant Director, Commissioning

Lead Officer: Margaret Gallagher, Corporate Performance & Business Intelligence
margaret.gallagher@haringey.gov.uk

Ward(s) affected: All

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

1. Background

- 1.1. The Council introduced a new approach to performance management which allows residents and others to easily track the Council's performance against five core areas of the Corporate Plan and hold it to account.
- 1.2. This report covers the seventh update and publication of priority dashboards, the original launch was in October 2015. It informs the Overview and Scrutiny Committee of performance against the outcomes and strategic priorities in the Corporate Plan 2015-18, reflecting the latest data available as at June 2017. It provides an overview of key performance trends and an assessment of progress against targets and objectives on an exception basis.
- 1.3. The Priority Dashboards and trajectories illustrate progress towards our goals in Building a Stronger Haringey Together and report performance in an outcome-focused and transparent way.
- 1.4. The Committee has considered their role in scrutinising and supporting performance improvement and systems have been put in place to ensure that this evidence base is used to inform the Overview and Scrutiny work programme. All Scrutiny Panels have had an opportunity to review performance using the current data as published in the Priority dashboards.
- 1.5. Scrutiny Panel Chairs are briefed on a quarterly basis on emerging performance trends and supported to use this information in the work of individual Panels. Looking at the data in real time enables Members to use information to drive discussions about performance. It further enables Members to explore solutions, through partnership working, to areas of challenge informed by insight and understanding of need from the resident's perspective

- 1.6. The timely publication of these dashboards on the Council's website has created greater transparency about the Council's performance, enabling accountability directly to residents. This is one way we are working with communities to make the borough an even better place to live.

2. Recommendations

- 2.1 Overview and Scrutiny Committee is asked to:

- Note the progress made against the delivery of the priorities and targets of the Corporate Plan, Building a Stronger Haringey Together at this point in the 2017/18 year.

3. Continued efforts to promote evidence based performance management and Transparency on outcomes.

- 3.1. Public organisations need reliable, accurate and timely information with which to manage services, keep residents well informed and account for performance. Good quality data is an essential ingredient for reliable activity and financial information. Effective organisations measure their performance against priorities and targets in order to determine how well they are performing and to identify opportunities for improvement. Therefore, the data used to report on performance must be fit for the purpose, representing the Authority's activity in an accurate and timely manner.
- 3.2. Work on developing a data, insight and intelligence strategy for Haringey is being progressed covering various strands to address data quality, culture and digital maturity. This work will develop a strategic approach to data, insight and intelligence as enablers to effective delivery of the Council's priorities and objectives. The vision is to place performance and business intelligence at the heart of commissioning services for Haringey residents, enabling informed decision making and better outcomes for customers.
- 3.3. As part of improving the current operating model, work to revise the performance management framework in line with the new Borough Plan is starting. This work will ensure outcome focused performance measures based on demand and evidence of need in Haringey. A large array of data sources will be considered including customer, financial, service, demographic and trend data so that the most suitable objectives, priorities and measures in the new borough plan are based on forward looking intelligence and insight.
- 3.4. In an aim to further promote the dashboards, we continue to update and publish the dashboards on a quarterly basis so that they accessible by Members and residents alike thus meeting the transparency requirements. In addition, we are creating a performance and intelligence page on the intranet with an aim to include access to key datasets and frequently asked questions. The performance and business intelligence team work closely with the partnership, communications and finance business partners so that activity, performance and demographic data regularly feeds various publications such as annual reports, equalities impact assessments and business plans as well as commissioning activity and needs assessments.

- 3.5. Alongside the externally focused outcomes monitoring the performance team support performance management of business specific indicators and operational management information which in turn informs decision making in the business. On a monthly basis the team produce a management grip scorecard which reports on such data alongside budget, workforce and customer data by business area. This enables the organisation to focus on resources and risk across the wide spectrum of services the Council deliver and to track productivity, cost and quality.

4. Performance Overview (as at June 2017)

- 4.1. The five Priority dashboards illustrate that amongst the many outcomes that we are seeking to achieve, whilst there have been areas of improvement, there remain some persistent challenges. The dashboards afford Members an opportunity to challenge progress being made against specified outcomes and to gain insight on the associated risks and barriers to delivery of agreed targets.
- 4.2. The dashboards are updated quarterly on Haringey's website and continue to set out progress on performance achieved to date, in a visual, intuitive way based on the latest available data.
- 4.3. Overview and Scrutiny received a report outlining the new approach to performance management on 19th October 2015. For more detail on the framework, dashboards and how to read these please refer to that report or the Haringey website. A link to the latest updates of the priority dashboards is included in section 5 of this report.
- 4.4. A guide on 'how to read the wheel and RAG (Red, Amber, Green) status' has been published on the website under each Priority and provides an overview of the methodology used for assessing performance. A four point RAG status is used in the assessment of progress against delivery with the following guidelines for interpretation:
- Green – Current performance equal to or above target trajectory (on track to meet the target)
 - Amber Green – Current performance below trajectory by less than 5% (needs attention in order to meet target)
 - Amber Red – Current performance below trajectory by between 5 & 10% (needs substantial attention in order to meet target)
 - Red – Current performance below trajectory by more than or equal to 10% (off track to meet target)
 - Grey- no updates since target was set or insufficient data to make assessment
- 4.5. As part of the governance and tracking of progress against outcomes there has been a review of the indicators for Priority 2. Some new measures have been agreed at the P2 Strategic Board and a revised P2 dashboard has been published on the website. Minor revisions to other Priority Dashboards have also been made with the addition of indicators to reflect new areas of focus in some areas.

4.6. Overall this seventh update of the dashboards shows progress against the objectives set out in the Corporate Plan 2015-2018 as we enter the last period of this Corporate Plan. As usual the evidence illustrates a mixed picture across Priorities and Objectives with some areas where we have assessed that there remains more that needs to be done to achieve our ambitions. Detailed performance information and exception action plans outlining what is being done to address areas where we are not on course to meet the agreed target are discussed with Scrutiny Panel Chairs and Cabinet Lead Members on a regular basis as well as being discussed at the quarterly Strategic Priority Board meetings.

4.7. The following areas are showing good progress and performance as illustrated by the indicators below:

- Priority 1 (Objective 2) – **Ofsted ratings of schools** – All secondary schools including those in Tottenham are currently rated Good or Outstanding. Good progress has also been made with primary schools with 98% rated good or outstanding including 12 outstanding schools and only 1 requiring improvement. Although the 100% target has not been achieved Haringey's performance on both primary and secondary schools exceeds both the London and national averages.
- Priority 1 (Objective 4) – **Teenage Conceptions** have seen a reduction of 16% between 2012-2014 and 2013-15. The latest rate is 21.5 per 1000 females aged 15-17 down from a high of 75.6 in the period 2000-2002. The decrease in teenage pregnancy in the UK and in Haringey is really good news, as we know that teenage pregnancy results in poorer outcomes for both mother and baby. Sexual and reproductive health is a key element of our health and wellbeing strategy. The annual public health report includes a sexual health theme and is ensuring that our policies and services actively promote knowledge, prevention messages and early help.
- Priority 2 (Objective 3) – **Falls aged 65 and over admissions (rate per 100,000 population)** have reduced to a rate of 1,637 as at March 2017. This is a 12% reduction on the rate in 2015/16. There has also been a 10% reduction in actual hospital admissions for falls related injuries with 47 fewer non-elective admissions in 2016/17 compared with the previous year. This is a Better Care Fund (BCF) indicator and Haringey's performance is better than the last published data for our comparator boroughs and England although we are awaiting BCF planning guidance for 2017-19 which will set the new expected standards in this area.
- Priority 2 (Objective 1)- **Excess weight in adults** has remained largely stable over recent years. The latest rate of 54.2% including 714 self-reporting as overweight or obese is lower than the rate seen across London and nationally where 65% of adults reported excess weight. These results come from an Active People Survey and cover the period 2013-2015 with latest results for Haringey showing a slight improvement from the previous 3-year average.

- Priority 3 (Objective 3) – **Travel by walking.** New data for 2015/16 shows the proportion of trips originating in Haringey by walking mode remains at 36%, within London's top quartile (joint 8th highest out of all London boroughs). The council continues to promoting walking through much of the £11.2m investment in transport related schemes during 2016/17.
- Priority 3 (Objective 5) – **Number of people killed and seriously injured (KSI) in road accidents in Haringey.** The annual 2016 update is not yet released but provisional monthly figures for the first 10 months of 2016 show a total of 55 killed or seriously injured, within the quarterly projection continuing to meet the annual target of 66 in 2017. If this trend is maintained and the target achieved this will be a 21% reduction in fatal and serious road traffic accidents in Haringey from the previous year (84 KSIs).
- Priority 4 (Objective 1) – **Investment in Infrastructure and Environment.** This indicator captures external investment secured to undertake public realm improvement works such as public realm schemes at White Hart Lane, in Northumberland Park, along the High Road including heritage building improvements, and for decentralised energy in North Tottenham.
In the last period some funding had not yet been fully secured but confirmed investment figures should mean that targets are exceeded meaning that the status of this indicator moves to green.
- Priority 4 (Objective 2) – **Businesses with superfast broadband.** There were 295 businesses with superfast broadband in 2015/16, comfortably more than the annual target of 200. Our 2017/18 target is 705 which will put us on track to meet our three-year target of 1,000. The 2015/16 target was over achieved thanks to good take-up of the GLA superfast broadband voucher scheme in Haringey. That scheme has now closed so alternative models are now being developed to ensure the full 1,000 business target is met by the end of the Corporate Plan period.
- Priority 5 (Objective 3) – **Homes for Haringey homes that meet decent homes standards.** The target for 2016/17 has been met with 79% of homes meeting the decent homes standards. The proposed programme up to 2017/18 will enable an increase of decent stock to 81%. A projection to achieve further improvements will be produced once a new five-year programme is in place, which will run from April 2017.
- Priority 5 (Objective 3) **Private sector households living in safer licensed conditions.** As at the end of March 2017 there were 348 licences issued and 1,476 households living in safe conditions. This exceeds the target for licenses, but falls slightly short of the target for households in safe conditions (target 1,500). This is because within the Tottenham Additional Licensing Area (TALA) the properties are quite small and therefore contain fewer units. This means a reduction in the number of households affected by our interventions as the households per property was over estimated for the area. It is likely that there is anywhere up to 12,000 HMO type properties within the borough. These properties are likely to be smaller HMO property or conversions which are not covered by Mandatory HMO Licensing, which is the only scheme which is currently borough wide.

- Priority 5 (Objective 2) **Homelessness preventions as a percentage of approaches.** Both the total number of approaches and the number of preventions have fluctuated significantly since 2014-15; from 377 to 976 and from 89 to 298 respectively. But overall, the average of preventions as a percentage of approached has steadily increased over the period, from 28% to 37%. This is therefore on track to meet and is on track to meet the target by the end of 2017/18
- Households who approach but are not prevented from becoming homeless are accepted as being in need of housing by the Council. Acceptances in Haringey decreased from a peak of 762 in 2013/14 to 683 in 2016/17, in contrast to the London-wide picture where acceptances increased from 17,030 in 2013/14 to 19,173 in 2015/16.

4.8. Based on exceptions the following objectives may be worthy of further consideration as these present some current challenges:

- Priority 1 (Objective 5) **Referrals to social care.** There has been an increase in referrals to social care since October 2015. In 2016/17 there were 4,800, a rate of 680.6 per 10,000 population and higher than the last published national and London rates. The current annualised projection rate based on the first quarter referrals to social care is 702 compared to 532 nationally and 527 amongst our statistical neighbours.
- Currently over 50% of these referrals end as no further action for social care compared with a London rate of 9%. However recent analysis on referrals in the last 3 months shows a decreasing trend in those resulting in no further action (21%). The target to reduce referrals to be amongst the top 5 London boroughs with the lowest referral rate by 2018 is not currently on track to be achieved.
- Priority 2 (Objective 1) – **A borough where the healthier choice is the easier choice; Residents diagnosed with hypertension and Cardiovascular Disease (CVD) Mortality.** The CVD indicator is a new measure replacing the premature stroke mortality indicator which is improving. The current rate is 90.6 deaths per 100,000 people per year 2013-15, compared to 77.4 for London. CVD is responsible for 24% of early deaths in Haringey. There has also been an increase in the number of patients diagnosed with hypertension and in the number undiagnosed, rising to 32,300 of the GP population in 2015/16. 41% of the population is diagnosed and controlled with an aim to increase this to 45% by 2018/19.
- Priority 3 (Objective 2) - **Robbery.** There were 1,436 robbery offences in Haringey in the year to Mar-17, a 20% increase (+242) compared to a 12% increase in London for the same period. Following a dip in Jan-17 offences have returned to the overall upward trend seen since Nov-16. The spike in Robbery in Haringey is linked primarily to gangs and knife enabled robberies in these groups. Operation Sceptre (tackling offenders habitually carrying knives/weapons) and Operation Equinox (anti-violent crime initiative focussed in Noel Park, Northumberland Park and Tottenham Green) are part of the

partnership response. Also Operation Perseus (anti-robbery initiative in Tottenham) is ongoing to address this. Engagement tactics particularly involving schools such as the Gangs Summit is also ongoing.

- **Priority 4 (Objective 4) – Houses supported with energy advice and measures.**

In 2015/16, 1,248 houses were supported with retrofit works, just 52 short of the annual target of 1,300. As at the end of March 2017, there have been 2,024 supported houses for 2016/17 but none in quarter 4. Performance is below target (2,275) due to end of the "Smart Homes" project, targets were set with the expectation that additional funding could be secured to deliver a similar project, but no funding has been secured to date.

- **Priority 5 (Objective 2) - Households in Temporary Accommodation versus cost of temporary accommodation.** The number of households Haringey has placed in temporary accommodation as at March 2017 (3,147) has reduced slightly over the last year (3,164 in March 2016) after three years of increases. This is in contrast to the London-wide picture, where the average has increased consistently from 1,341 to 1,641 since 2014. However, expenditure on TA in 2016/17 increased to £7.3m, reflecting the increased cost of securing temporary accommodation in the borough. DCLG has awarded Haringey significant additional Flexible Homelessness Support Grant to tackle TA and an action plan is being developed to ensure best use is made of these additional funds to secure long term cost effective solutions

5. Contribution to strategic outcomes

- 5.1. All Priorities including cross-cutting themes of; Prevention and early intervention, A fair and equal borough, Working together with Communities and Working in Partnership as well as Customer Focus and Value for Money.

6. Use of Appendices

Priority dashboards and performance packs

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

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Report for: OSC 17th July

Item number: 9

Title: Provisional Outturn 2016/17

Report

authorised by : Tracie Evans – Chief Operating Officer

Lead Officer: Jo Moore – Deputy Chief Finance Officer

Ward(s) affected: ALL

Report for Key/

Non Key Decision: Key

1. Introduction

- 1.1. This report sets out the Council's provisional budget outturn for the year ended 31 March 2017. It sets out the provisional revenue and capital outturn for the General Fund showing the variances against budget together with the movements on reserves and the provisional capital and Housing Revenue Account (HRA) revenue outturn. It also provides explanations of significant under/overspendings.
- 1.2. The Council's statutory accounts are still in the process of being finalised and there may be further adjustments to the provisional outturn arising from the completion of this work.

2016/17 Outturn Position

- 1.3. The approved General Fund revenue budget for the year was £255.6m and the provisional outturn is estimated at £271.7m, which represents a net overspend of £16.1m (6.3%).
- 1.4. Within this net figure there are a number of key overspends totalling £27.2m: £7.8m on Children, £12.4m on Adults and £7.0m for temporary accommodation. These overspends have been mitigated by a number of underspends: £3m in respect of recognition of housing benefit overpayments; £6.0m on non-service revenue budgets and £1.8m pension auto-enrolment provision that was not required in year.
- 1.5. The net General Fund overspend position is £16.1m, but there are a number of services that have underspends, where the service has submitted requests for unspent budgets to be carried forward. A total of £6.9m has been requested for carry forward as expenditure relating to these budgets will be incurred in 2017/18.
- 1.6. The overall General Fund Revenue outturn variance for the year ending 2016/17, has improved by £5.2m from the Quarter 3 report that went to

Cabinet in February 2017, which advised a projected outturn deficit of £21.3m.

- 1.7. The provisional outturn report gives the opportunity to consider the overall financial performance of the Authority at the end of March 2017. It provides some information on which the Council's Statement of Accounts will be based and will remain provisional until the conclusion of the statutory audit process.
- 1.8. The revised capital programme budget for the 2016/17 was £202.8m and expenditure was £112.5m. The majority of the underspend of £90.3m (45%) relates to slippage in programme delivery and therefore it is proposed that the budget will be rolled forward to future years of the capital programme.
- 1.9. The 2016/17 (HRA) revenue net budget was set at £14.9m surplus. The provisional revenue outturn for the HRA is an underspend of £10.7m giving a total surplus in the year of £24.6m to be transferred to HRA reserves to fund the HRA capital investment programme.

2. Cabinet Member Introduction

- 2.1. The Period 9 monitor to Cabinet on 14th February 2017 set out a draft quarter 3 (December 2016) position of a net £21.3m overspend requiring an additional drawn down from General Fund Reserves. The final 2016/17 end of year outturn position in this report shows the Council had an overall deficit (overspend) of £16.1m. This represents a £5.2m improvement on the position previously reported to Cabinet but is still a significant concern.
- 2.2. The key areas of overspend were in relation to Adult and Children's social care and temporary accommodation. However, the financial impacts of the continued increase in demand were projected early in the year and so management actions were able to be implemented to mitigate those pressures without which the overspend is likely to have been significantly higher. These areas will remain a key focus for management actions in the next financial year.
- 2.3. There were also a number of one-off sources of income which have helped strengthen reserves in 16/17 particularly in relation to the transformation reserve. This is important to ensure that the Council has sufficient resources to invest in digital and other solutions to meet the challenging MTFS savings proposals.
- 2.4. This is the second consecutive financial year that the Council has reported a significant revenue outturn deficit to budget. The total drawn from reserves in these two years to mitigate overspend is around £22.8m.
- 2.5. Our financial prudence in previous financial years has meant that we were able to use reserves in 2016/17 to smooth the impact of government cuts and the resulting overspend due to delay in implementing planned efficiencies. However, reliance on reserves is not sustainable in the long run. Therefore, it is critical that strong financial

controls are developed and put in place to ensure that the Council is in a position to spend in line with planned budget in 2017/18.

- 2.6. We must also substantially pick up the pace of transformation in the demand-led areas of Adult Services, Children Services and Temporary Accommodation if we are to avoid significant overspends in 2017/18 as together these services account for nearly 70% of the Council's net expenditure.
- 2.7. I will be working closely with the CFO, Deputy CFO and broader Corporate Leadership Group to ensure that there are plans in place to accelerate the delivery of the Medium Term Financial Strategy.
- 2.8. This final outturn will be reflected in the Council's Statement of Accounts, which will be signed for audit by the Chief Financial Officer before 18th June 2017.

3. Recommendations

- 3.1. Cabinet is recommended to:
 - a. Note the provisional revenue and capital outturn for 2016/17 as detailed in the report;
 - b. Approve revenue carry forward requests of £9.4m at Appendix 1;
 - c. Approve capital carry forwards requests totalling £81.6m at Appendix 2;
 - d. Approve the use of reserves as set out in Appendix 3;
 - e. Approve the quarter 4 capital budget virements at Appendix 4;
 - f. Approve the quarter 4 revenue budget virements at Appendix 4; and
 - g. Approve the revised MTFS capital programme profile set out in section 17 of this report.

4. Alternative Option considered

- 4.1. The report of the council's outturn and management of the financial resources is a key part of the role of the Chief Operating Officer (Section 151 Officer) and no other options have therefore been considered.

5. Provisional General Fund revenue outturn 16/17

- 5.1. The General Fund revenue expenditure at the end of March 2017 before reserves transfer was £271.7m against budget of £255.6m. This resulted in a deficit (overspend) position of £16.1m. Table 1 below sets out net expenditure against budget at assistant directorate level and also provides the variance to budget and also compares outturn to Q3 forecast.

Table 1 – General Fund Provisional Outturn 2016/17

	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance	Movement from
	Period 12	Period 12	Period 12	Q3	Q3
	£'000	£'000	£'000	£'000	£'000
Leader and Chief Executive Officer	2,887	2,472	(415)	(189)	(226)
Deputy Chief Executive					
AH Director for Adult Social Services	74,100	86,518	12,418	12,441	(23)
CY Director Of Children Services	46,958	54,785	7,827	5,717	2,110
Public Health, Commissioning & Other	41,355	42,592	1,237	167	1,070
Deputy Chief Executive	162,412	183,895	21,482	18,325	3,157
Chief Operating Officer					
Commercial & Operations	38,010	39,811	1,801	926	875
Other (SSC, Customer Services)	20,112	14,813	(5,299)	(282)	(5,017)
Chief Operating Officer Total	58,122	54,624	(3,498)	644	(4,142)
Regeneration, Planning & Development					
Housing General Fund	14,543	21,562	7,019	7,325	(306)
Regeneration, Planning & Development	11,159	8,627	(2,532)	(435)	(2,097)
Regeneration, Planning & Development total	25,702	30,189	4,488	6,890	(2,402)
Total for service areas	249,123	271,180	22,057	25,670	(3,613)
Non service Revenue	6,504	525	(5,979)	(5,428)	(551)
Contract Procurement savings	-	-	-	1,060	(1,060)
TOTAL	255,627	271,705	16,079	21,302	(5,223)

- 5.2. As previously reported to Cabinet, three areas have accounted for the majority of the overspend; Adults Social Care (£12.4m), Childrens Social Care (£7.8m) and Temporary Accommodation (£7m). The demand led nature of these services made it difficult for cost to be contained within the approved budget. These underlying budget pressures have been addressed in the 2017/18 budget, so these services are expected to spend in line with approved budgets in 2017/18.
- 5.3. The Chief Operating Officer directorate budget had a net surplus of £3.5m due mainly to a one off benefit arising from the recognition of housing benefit overpayment.
- 5.4. Non Service Revenue budget also had underspend arising from not needing to draw on a budget that had been set aside for pensions auto-enrolment (£1.8m), underspends on capital financing (£1.9m) and general contingency budget (£2.5m).

Housing Revenue Account

- 5.5. The provisional outturn for the HRA is an underspend position of £10.7m against budgeted surplus of £14.9m. Total surplus at year end is therefore £25.6m taking into account the year end underspend. It should be noted that HRA surpluses are ringfenced and cannot be used for General Fund purposes. Section 14 of the report details the reason for underspend in the HRA.

Capital Programme

- 5.6. Capital programme outturn shows that 57% (£112.7m) out of a revised budget of £202.8m had been spent. Unspent capital budgets along with source of financing are carried forward to be spent in future years. The 2017/18 capital programme has been updated to reflect these carry forwards and Cabinet is asked to approve the revised capital programme budget

6. Revenue Finance Overview

- 6.1. Table 1 above summarises the provisional revenue outturn position for the General Fund. The table shows the position before transfers to or from reserves and the provisional outturn is compared against reported forecast at Q3.
- 6.2. Services are able to request that a reserve is created, if certain relevant criteria have been met and the request has been approved by the Chief Finance Officer. Cabinet is advised of new reserves request and is asked to agree that they are created as part of this report. Once a reserve has been created, the relevant service manage the use of the reserve and are able to drawdown against the reserve to mitigate future costs that meet the purpose for which the reserve was established.
- 6.3. A summary of the Council's reserves is included at Appendix 3 - it shows where proposed transfers to or from reserves have been made and Cabinet is asked to agree these proposed transfers.
- 6.4. The Council's Medium Term Financial Strategy (MTFS) shows that the Council faces significant financial challenges in the short to medium term. The Chief Finance Officer sees the strategic use of reserves as an important component of supporting the successful setting and delivery of a balanced Medium Term Financial Strategy (MTFS).
- 6.5. A summary of outturn position for each assistant directorate is set out below.

7. Leader and Chief Executive Officer £0.4m underspend

- 7.1. The Leader and Chief Executive Office, which includes Corporate Governance and the Policy and Business Management services has an underspend of £0.4m against a budget of £2.9m. The service was able to mitigate budget pressures arising from the BREXIT referendum and local by-elections by generating better than expected income from legal services.

8. Chief Operating Officer £3.5m underspend

- 8.1. The Chief Operating Officer (COO) directorate, which includes Customer Services, Commercial and Operations, Shared Service Centre and Transformation and Resources services, had net underspend of £3.5m against a total budget of £58.1m. A summary of the position for each of the services is set out below.

Commercial and Operations

- 8.2. There was an overspend position within Commercial and Operations of £1.8m. Of the overspend, £1.4m relate to a number of legacy issues which were outside of the Service's control, but prevented achievement of planned efficiencies. The remaining £0.4m is made up of overspends in Traffic Management and Neighbourhood Action teams and a small underspend in Direct Services.
- 8.3. The Traffic Management service was unable to implement two savings initiatives relating to new way of parking enforcement (£0.6m) and the introduction of LED street lighting (£0.4m). Some of the overspend resulting from these were mitigated by an increase in income from CCTV traffic enforcement cameras and controlled parking zone enforcement (£0.7m). However, this was not enough to return the business unit to a balanced budget position.
- 8.4. All other services within Commercial and Operations ended the year in a break even position except for the Neighbourhood Action team which overspent by £0.2m due to the additional costs of temporary staff and Direct Services which underspent by £0.1m.

The overspend of £1.8m within Commercial and Operations has been offset by a £5.3m underspend in other COO areas.

Other – Shared Service Centre

- 8.5. Following the 2015/16 external audit and after the 2016/17 budget had been set, the Council, based on audit recommendation adopted an accounting policy that meant that the Council recognised housing benefit debtors that have arisen as a result of benefit overpayment. This created a one-off benefit in 2016/17 of £3.1m of additional income.

Other – Customer Services

- 8.6. Customer Services overspent by £0.1m. The budget overspend was due to delays in implementing the planned restructure of the service. Whereas the original implementation date was 1 April 2016, the restructure did not fully become operational until December 2016. Mitigating actions taken in year helped to manage the pressure, but these were not enough to fully compensate for the delay.

Other – Chief Operating Officer

- 8.7. Within the Chief Operating Officer's area, the pension's auto-enrolment budget of £1.8m, a provision which had been made to mitigate anticipated budget pressure arising from a refresh of auto-enrolment at the new staging date for staff that were not enrolled at the original staging date in 2014, was not required. This was as a result of a reduction in the Council's establishment and lower than expected enrolment in the pension fund meant that this provision was not required in year.

9. Deputy Chief Executive £21.7m overspend

- 9.1. The Deputy Chief Executive (DCE) directorate accounts for approximately two thirds of the Councils net budget. Within the directorate are some of the major frontline services provided by the Council, but it also means that these services face the greatest demand pressures. Therefore, the majority of the reported overspend has occurred as a result of demand outstripping budgeted resources in the year.

Adult Social Services

- 9.2. The cost of care packages in Adults Services faced the most pressure throughout the year, but the expectation of overspend had been reported as early as period 2 of the financial year. At that point, cost of care packages was forecast to overspend by £17.3m. However, through management action the outturn position is 33% (£5.8m) lower than the original forecast overspend. The outturn position for cost of care packages is £11.5m overspend against a budget of £57.8m.
- 9.3. Other services within Adult Social Care that had noteworthy overspends are Osbourne Grove (£0.5m) due to a delay in the implementation of planned efficiencies; and Learning Disabilities (£0.8m) also because of a delay in implementing planned efficiency initiatives relating to the reconfiguration of the Day opportunities for learning disabilities clients. However, some of the overspend arising from the Learning Disability overspend was partially mitigated by staff salaries underspend in the Assessment and Social Work teams.
- 9.4. Total overspend for Adult Social Services at the end of the year was £12.4m against a budget of £74.1m.

Children and Young People

- 9.5. The Looked After Children (LAC) service has reported an overspend position throughout the year. The service was unable to find any mitigating actions to reduce the projected overspend, therefore ended the year with an overall overspend of £5.1m. Further breakdown of overspend in LAC include: £2.8m overspend in increased payments to providers and carers within Social Care Placements; £1.8m overspend in Social Care Workforce overspend due to delay in implementing planned service restructure; and £0.2m overspend on non-staffing budget within the “No Recourse to Public Funding (NRPF)”, due to a significant increase in the number of families being supported.
- 9.6. There are other overspends within Children and Young People totalling £2.5m including £800k relating to Home to Schools Transport service, which was due to higher than expected numbers of children requiring the service and consequently more buses and taxis needed to support the demand. Disabled Carers Respite overspent by £400k mainly as a result of the complexity of the needs of the cohort of children being more severe than initially anticipated.
- 9.7. Special Education Needs and Disability (SEND) Top Ups budget overspent by £1.3m largely due to the higher than expected pupil numbers requiring additional level of support. Budget overspend in CYP was partially offset by underspend in Early Help and Targeted Response team (£0.4m) due to better than expected ‘payment by results’ income.
- 9.8. Total overspend in Children and Young People at the end of the year was £7.8m against a budget of £47.0m.

10. Regeneration, Planning & Development £4.6m overspend

Housing General Fund

- 10.1. Housing services which includes Community and Commissioned services overspent their budgets by a net amount of £7.0m against a budget of £14.5m.
- 10.2. Cost pressure arising from having to provide temporary accommodation for households in the borough is the reason for overspends in this area. As a result of management action, including the embedding of a Chief Immigration Officer, which has had an effect on the time taken to resolve cases, and also other mitigating actions led to the number of households requiring temporary accommodation in the Borough to stabilise.
- 10.3. The budget overspend in 2016/17 is £7.7m, but the underlying budget pressure in the temporary accommodation budget has been addressed for 2017/18, so the expectation is that budget performance will be in line with approved budget in future.

- 10.4. The underspend position of £0.7m in Housing Commissioned services partly offset overspend in Community Housing. The underspend position in this service is due to less reliance on agency staff as permanent staff have been employed following a service restructure.

Other Regeneration, Planning and Development

- 10.5. The remainder of services within Regeneration, Planning and Development reported net underspend of £2.5m due mainly to slippage in projects relating to Crossrail and Wood Green Area action plan and the European Social Fund projects in the borough. These funds will be transferred to reserves to be spent in future years by the service to deliver these projects. Therefore, cannot be used to reduce overspend in 2016/17.

11. Non Service Revenue £6.0m underspend

- 11.1. The underspend in Non Service Revenue (NSR) budget is as a result of the Council not requiring to use its contingency budget (£2.5m) and treasury management strategy that has facilitated underspend in debt financing (£3.5m) expenditure for the year.

Contract Procurement £1.1m overspend

12. Savings that are cross cutting are usually held in NSR and allocated to service budgets once delivered. Within the Medium-Term Financial Strategy there was an expected c£1.9m of savings in contract costs over 2015/16 and 2016/17. Whilst the service has enabled c£2.98m savings during this period only £0.84m has been enabled as budget savings, but remaining amount has helped to reduce overspends in key service areas. Therefore since period 6 the forecast has shown an under-achievement position at year-end of £1.1m. Nevertheless, it is expected that the savings will increase in 2017/18 as the benefits of the implementation of the Dynamic Purchasing System (DPS) are felt.

13. Council Tax £6.1m underspend

- 13.1. The Council has a statutory obligation to maintain a separate ring-fenced account for the collection council tax. The council tax scheme is designed to be self balancing. Therefore an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. In this way, most of the benefit or burden of any in-year variance is received or borne by taxpayers in the following year.
- 13.2. Monies received into the Collection Fund are distributed between the Council (81.4%) and its preceptor, the GLA, (18.6%) based on their respective shares. In year collection of Council tax stand at 96.15% which compares favourably with the Council's comparator group and

shows a slight improvement on 2015/16 performance. This performance along with other factors such as reduction in single persons discount resulted in a surplus of £6.6m available for distribution in 2017/18.

14. Business Rates overspend

£0.4m

- 14.1. In 2016/17, the business rates collection performance was 98.4% - a slight improvement from last year's performance. The Council retained 30% of business rates collected in 2016/17, 50% was transferred to central government and 20% to the GLA.
- 14.2. The business rates collection underperformed expectation in 2016/17 resulting in £0.4m which will be recognised in 2017/18 financial year.

15. HRA revenue outturn 16/17

£10.7m underspend

- 15.1. The provisional HRA revenue outturn is a budget underspend of £10.7m achieved by overachieving on income (£1m) and underspending on expenditure by £9.7m. The HRA outturn summary is set out in Table 2.
- 15.2. The main cause of underspends in the HRA relate to better than expected outcomes on a number of charges to the Account. The treasury management strategy that benefitted the General Fund had a similar impact on the HRAs debt financing charges in the year resulting in underspend of £3.6m. Depreciation charges in the year were also below budget producing underspend of £3.0m.
- 15.3. Housing Management budget had underspend of £0.8m due to lower than expected water rates and council tax charges. Other Property Cost budget underspent by £1m due to savings on the Leaseholder Insurance charge to the Account. Similarly, General Fund recharges were below expectation due to a delay in the Estate Regeneration Programme, underspending by £1.7m.
- 15.4. However, the favourable budget variances in these areas are offset by pressures arising from the managed budgets including in respect of garage income and the Homes for Haringey management fee (£0.6m).
- 15.5. On the income side, the HRA overachieved income on Dwelling Rental (£0.5m), Hostel Rental (£0.5m) and Leaseholder Service Charges (£0.7m) income budgets. The resulting underspend was slightly offset by underachievement of income in Tenant Services (£0.4m), Non

Dwelling Rents (£0.1m) and Miscellaneous income (£0.2m) budgets given net overall underspend against the income budget of £1m. The under recovery of income in these areas were largely due to a shortfall in garage rents against budget and income in respect of tenants' service charges.

Table 2 HRA Summary Revenue Outturn

HRA Budget 2016/17 I&E Account	2016/17 Original Budget	2016/17 Revised Budget	2016/17 Draft Outturn	YTD Variance
	£000's	£000's	£000's	£000's
Income				
Dwelling Rental Income	(82,850)	(82,850)	(83,359)	(509)
Non Dwelling Rents	(3,129)	(2,996)	(2,886)	110
Hostel Rental Income	(2,364)	(1,847)	(2,341)	(494)
Leasehold Service Charge Income	(7,101)	(7,101)	(7,819)	(718)
Tenant Service Charge Income	(11,376)	(11,276)	(10,893)	383
Miscellaneous Income	(7,155)	(7,155)	(6,936)	218
Supported Housing - SP Grant	(1,343)	0	0	0
Total Income	(115,319)	(113,225)	(114,234)	(1,009)
Expenditure				
Non-HfH Estates Costs	7,447	7,454	7,464	10
Housing Management Costs & NNDR	6,399	6,373	5,584	(789)
Repairs & Maintenance	4,540	4,540	4,540	(0)
Bad Debt Provision	1,022	1,022	1,004	(18)
Hostel Expenditure	579	579	348	(231)
Supported Housing	1,741	0	0	0
Community Alarm	1,626	1,433	1,521	87
Regeneration Team Recharge	805	805	871	66
Other Property Costs	1,233	2,486	1,456	(1,030)
General Fund Recharges	7,037	6,605	4,909	(1,696)
Capital Financing Costs	10,900	13,216	9,558	(3,658)
Depreciation Charge	18,000	18,000	14,972	(3,028)
Management Fee	35,609	35,855	36,453	599
Total Expenditure	96,937	98,366	88,680	(9,686)
(Surplus) for the year on HRA services	(18,382)	(14,859)	(25,554)	(10,695)

16. Dedicated Schools Grant

£0.45m overspend

- 16.1. Table 3 below sets out the final position on the Dedicated Schools Grant for 2016/17. This show a deficit of £0.45m resulting from overspend of

£1.3m in High Needs block which is offset by underspends in Schools (£0.48m) and Early Years (£0.37m) services.

Table 3 - Dedicated School Grant outturn summary

2016/17 DSG	Budget	Outturn	Variance
	£'000	£'000	£'000
Schools Block	143,637	143,158	(479)
Early Years Block	15,450	15,083	(367)
High Needs Block	30,300	31,597	1,297
Total DSG	189,387	189,838	451

17. Capital Programme Outturn

- 17.1. At its meeting in June 2016 Cabinet agreed a 10 year capital strategy and programme with 2016/17 being year 1. The approved General Fund capital programme for 2016/17 was set at £115.2m and the Housing Revenue Account capital programme at £83.8m.
- 17.2. Table 4 set out the outturn position against the revised budget following proposed quarter 4 virements.

TABLE 4 – CAPITAL OUTTURN SUMMARY

	Revised Budget	Provisional Outturn	Variance
	£'000	£'000	£'000
Priority 1	15,132	7,838	-7,294
Priority 2	2,584	1,559	-1,025
Priority 3	19,825	13,554	-6,271
Priority 4	59,690	26,961	-32,729
Priority 5	5,875	909	-4,966
Priority X	15,272	4,499	-10,773
Contingency	666	0	-666
General Fund Total	119,044	55,320	-63,724
Housing Revenue Account	83,775	57,209	-26,566
Total	202,819	112,529	-90,290

- 17.3. The General Fund budget has been revised upward by £3.8m to account for additional grant funding from TfL (£3.0m) for the Wightman Road Bridge and additional GLA resources being allocated for the NDP schemes (£0.8m).
- 17.4. Detailed, individual project carry forward request are set out in Appendix 2. A summary of the outturn position is set out at priority level below.

Priority 1

- 17.5. The primary and secondary school modernisation and enhancement programme (£8.1m) has been delayed due to ongoing condition assessment of the assets and the establishment of a programme of work for the next five years following those assessments. This gives rise to underspend of £7.3m out of a total capital budget of £15.1m for Priority 1.

Priority 2

The disabled facilities grant capital budget underspent by £1m, which accounts for most of the underspend in this area. The inability to gain access to residents' homes to enable installations to be carried out is the principal reason for the delay in the programme. Overall, this area underspent by £1.03m against a capital budget of £2.58m.

Priority 3

- 17.6. There has been some delay in the implementation of the planned capital expenditure in this area. Amongst delayed programme is the relocation of the CCTV control room (£2.1m) from its current location to the new Marsh Lane Depot. The commissioning of additional condition survey on Council's assets has caused delay with the wider programme in this area resulting in underspend of £2.4m. Also, the budget for developer contributions has underspent by £0.8m.
- 17.7. Capital expenditure in the year attributable to Priority 3 was £13.6m (70%) out of a budget of £19.3m leaving underspend of £5.7m.

Priority 4

- 17.8. The Priority 4 capital budget is complex and contains work streams that are by their nature difficult to predict in terms of the incidence of the expenditures (e.g. property acquisitions).
- 17.9. The High Road West acquisition (HRW) budget underspent this year by £1.54m – a request has been made to carry forward this underspend in order to be able to deliver acquisitions in future years. Unlike the HRW acquisition budget, the Tottenham and Wood Green regeneration scheme overspent its acquisitions budget by £1m due to more opportunities being available than was originally programmed. This scheme's budget will be re-profiled to reduce expenditure in 2017/18.
- 17.10. The delay of the Marsh Lane project has resulted in £8.1m underspend against planned expenditure in the year. Again, due to delays to the Alexandra Palace East Wing restoration project, the Council's match

funded contribution to this project was not wholly drawn down creating underspend of £2m.

- 17.11. The Wards Corner compulsory purchase order is now expected early in 2017/18 creating underspend of £9.2m. The Alexandra Palace maintenance budget underspent by £1.3m and will be taken to the approved capital programme contingency.
- 17.12. The Opportunity Investment Fund has underspent by £2.4m and the carry forward of this grant is the subject of discussion with the GLA. If the GLA agree that the grant is carried forward, the Council will be expected to provide match funding contribution of £0.5m.
- 17.13. Capital expenditure in the year attributable to Priority 4 was £28.8m (49%) out of a budget of £58.4m leaving underspend of £29.6m.

Priority 5

- 17.14. There were two major capital schemes within Priority 5 relating to the modular build programme and property acquisitions schemes. Whilst a significant amount of work was carried out during the year by Homes for Haringey and the Housing service on options for delivery, both schemes are now on hold pending the consideration of legal advice as to the best way to commission delivery. Therefore only £0.9m (15%) of a total capital budget of £5.9m was spent leaving underspend of £5m to be carried forward into future years.

Priority X

- 17.15. The three major schemes within this priority relate to the ICT Business Improvement Programme (£4.7m budget), Corporate ICT development programme (£2.3m budget) and the Face2Face programme to support customer service library improvements (£3.5m budget). These schemes are linked to MTFS savings proposals, the future ways of working programme and the new Shared Service arrangement for ICT. The shared services budget underspent by £4.6m. The corporate IT board and the evergreening budgets underspent by £3.6m. Phase one of the F2F scheme has been largely completed and plans are being put into place to invest the balance of funding. Further plans are being scoped for the other projects through the Future Ways of Working and the Shared Digital Board.
- 17.16. Overall, capital expenditure for Priority X in the year amounted to £4.5m (29%) of planned budget of £15.7m resulting in underspend of £11.2m.

Housing Revenue Account

- 17.17. The HRA capital expenditure at year end stands at £57.2m (68%) out of planned budget of £83.8m resulting in underspend of £26.6m.
- 17.18. Some of the schemes contributing to the underspend include the leaseholder buyback programme, the underspend on this scheme mostly caused by the front loading of the budget (£9.6m). Other

contributors were stock acquisition budget (£7m) underspending by £6.7m and the new build budget has underspend of £2m.

- 17.19. Attached at Appendix 2 is a list of proposed carry forward budgets. Haringey has a large and complex capital programme and is in the early stages of its current 10-year programme. It is anticipated that the pace of delivery of the 10-year programme will increase in 2017/18.

18. Revised Capital Programme

- 18.1. The revised capital programme for 2017/18-2021/22, taking into account the budgets carried forward and the latest re-profiled estimates for the Haringey Development Vehicle related projects, is set out below.

Table 5 – Revised Capital Programme (2017/18 – 2021/22)

	Original 2017/18 Budget	Carry Fwd and HDV	Revised 2017/18 Budget	Revised 2018/19 Budget	Revised 2019/20 Budget	Revised 2020/21 Budget	Revised 2021/22 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Priority 1	6,050	7,300	13,350	6,620	6,620	26,020	18,000
Priority 2	1,868	1,025	2,893	1,818	1,818	1,818	1,818
Priority 3	13,470	5,925	19,395	13,090	10,710	10,250	10,370
Priority 4	38,960	26,225	66,185	26,307	44,030	29,125	36,075
Priority 5	11,465	4,966	16,431	11,665	12,885	3,525	525
Priority X	5,274	11,413	16,687	6,450	6,950	9,350	10,950
General Fund Total	78,087	56,854	134,941	65,950	83,013	80,088	77,738
Housing Revenue Account	43,991	24,910	68,901				
Total	122,078	81,764	203,842	65,950	83,013	80,088	77,738

19. Reserves

- 19.1. Revenue reserves are amounts set aside by the Council to fund future growth and investment needs and to counter financial risk. These include general reserves/balances that must be maintained by the Councils. It should be noted that reserves can only be used for the purposes for which they were created unless Cabinet approval is obtained to change its use. The reserves movements in 2016/17 are set out in Appendix 3.
- 19.2. The original 2016/17 budget required the use of £1.9m of General Fund reserves to set a balance budget.
- 19.3. In February 2017, a revised Treasury Management Strategy was approved by Full Council which included a revision to the Council's Minimum Revenue Provision policy. This resulted in £7.9m revenue saving which was planned to be used to rebalance the Transformation Reserve in order to provide additional funding for the savings and future ways of working transformation agenda.
- 19.4. The MTFs report that went to Cabinet in February 2017 indicated a need to transfer £25m to GF reserve in order to maintain a general balance of £15m based on an estimated overspend of £21m.

- 19.5. As a result of the reduced overspend position and clarification of other reserve movements, it is now proposed to move a sum of £13m to General Fund balances after taking account of planned contributions from MRP savings (£7.9m) and additional 15/16 Council Tax surplus (£3.1m).
- 19.6. This will leave a General Fund working balance of £15.0m and Earmarked Reserves of £48.6m. It should be noted that £8.8m has been approved to be used to enable a balanced budget for 2017/18 to be set which will, if required, reduce reserves further.

20. Conclusion

- 20.1. Overall at the end of the 2016/17 financial year, the General Fund shows a £16.1m overspend position which will be met from the General Fund reserve as previously reported to Cabinet.
- 20.2. The majority of overspend in 2016/17 have arisen due to underachievement of planned efficiency savings and demand pressures in adult social care, children social care and temporary accommodation which were forecast earlier in the financial year and enabled mitigating actions to be taken to prevent the overspend increasing further.
- 20.3. There were also a number of one-off sources of income which have helped strengthen reserves particularly in relation to transformation resources which are going to be critical in delivering the significant transformation agenda required to deliver future years' savings.

21. Contribution to strategic outcomes

- 21.1. Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities.

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

Chief Finance Officers Comments

- 22.1. There are no further Chief Finance Officer (CFO) comments or finance implications arising from this report. All related finance issues have been highlighted within the body of the report as this is a report of the CFO.

Assistant Director of Corporate Governance

- 22.2. The Assistant Director of Corporate Governance has been consulted on this report and confirms that all statutory and constitutional requirements have been addressed. There are no legal implications arising out of this report.

Equalities

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

23. Use of Appendices

Appendix 1 – Revenue Carry Forwards

Appendix 2 – Capital Carry Forwards

Appendix 3 – Reserve Movements

Appendix 4 – Budget Virement List

24. Local Government (Access to Information) Act 1985

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

- Budget management papers
- Medium Term Financial Planning Reports

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

YEAR END TRANSFERS TO RESERVES	£000s	YEAR END TRANSFERS FROM RESERVES	£000s
LEADER AND CHIEF EXECUTIVE		LEADER AND CHIEF EXECUTIVE	
Grant - Independent Electoral Registration	20	Insurance	142
CHIEF OPERATING OFFICER		CHIEF OPERATING OFFICER	
Leisure borrowing	1,300	IT Infrastructure Reserve	158
Leisure contract	53	Debt Repayment Reserve	1,300
Customer Services Transformation Project	94		
PFI Grant	1,059		
HR Transformation Funding	425		
Grant - MBRI supporting universal credit	54		
Grant - Implementation of Benefits cap	147		
DEPUTY CHIEF OPERATING OFFICER		DEPUTY CHIEF OPERATING OFFICER	
Children & Young People Transformation	114	DSG	451
Mental Health Commissioning	41	DSG Reserve for school cash set off	1,185
Childrens Centres Early Years	160		
Early Years	387		
Virtual school Trust Education Agency	43		
Schools & Learning - Governor Services	25		
Funding for excluded pupils	85		
Grant - Pupil Premium	22		
High Needs Grant	111		
Public Health	238		
DIRECTOR REGENERATION AND PLANNING		DIRECTOR REGENERATION AND PLANNING	
Labour Market Resilience	688	Tottenham including HRW	95
Regeneration restructure	61	Carbon Solar	8
Carbon Solar PV	140		
CIL admin income	100		
Tottenham including HRW	230		
Opportunity Investment Fund	2		
Enterprise Row Insurance proceeds	220		
Fountayne Business Centre	35		
HDV Transformation funding	219		
Wood Green Transformation Funding	375		
Housing older people service	300		
Grant - Homelessness	112		
Grant - Transport Challenge	76		
Total	6,936		3,339
HRA EMR requests			
Housing Strategy	1,462		
HRA smoothing reserve	331		
Homes for Haringey	629		
sub total	2,422		

CAPITAL CARRY FORWARDS

Scheme Number	Description	C/Fwd 2017/18 £000's
PRIORITY 1		
101	Repairs and Maintenance at Primary Schools expenditure less than anticipated across a range of small scheme	379
102	Primary Schools Modernisation and Enhancement expenditure has been less than budgeted due to scheme delays. However, a significant amount of the budget has now been committed.	3,726
103	Primary Schools New Places. The minor carry forward is to meet contractual commitments.	268
104	Early Years overspend due to a range of minor scheme overspends	-31
109	This budget contains the YOS and YAS relocation as well as the PDC relocation. The expenditure is required to complete these schemes	619
114	Secondary Schools R&M. The majority of the requested carry forward is to meet contractual commitments with the largest being Highgate Roofing Works at £583k.	1,379
199	This budget contains the programme contingency for the P1 capital programme (£849k) and a budget for adapting foster carers homes for children with disabilities	960
P1 – Total		7,300
PRIORITY 2		
201	Disabled Facilities Grant. It is proposed to carry forward this grant to utilise on suitable projects as and when they arise	828
206&207	The carry forward is requested to meet contractual obligations on the Ermine Road scheme and other minor expenditures	197
P2 – Total		1,025
PRIORITY 3		
301	Street Lighting. This budget slightly overspent and the overspend is being carried forward to 2017/18	-44
302	Borough Roads. Due to delays to schemes it is proposed to carry forward these resources to ensure their completion.	314
303	Highways Structures. Due to delays to schemes it is proposed to carry forward these resources to ensure their completion	178
305	Borough Parking Plan. This budget slightly overspent and the overspend is being carried forward to 2017/18	-23
307	CCTV Relocation. Due to delays on the Marsh Road Depot scheme this project did not incur any expenditure. The resources are still required	2,100
309	No carry forward required	0
310	Developer contributions. These resources need to be carried forward to ensure that the expenditure can occur	816
311, 313 & 314	These schemes are all related to the Parks Service. There are firm plans in place to utilise these resources in 2017/18	238
316	Asset Management of Council Buildings. There have been significant difficulties with the performance of the main contractor resulting in the underspend. It is requested that this resource is carried forward to 2019/20.	0
P3 – Total		3,579

Scheme Number	Description	C/Fwd 2017/18 £000's
PRIORITY 4		
401	Tottenham Hale Green Space. The ongoing regeneration of the area will require continued budget support through this carry forward	504
402	Tottenham Hale Streets. The ongoing regeneration of the area will require continued budget support through this carry forward	282
403	Tottenham Regeneration. The ongoing regeneration of the area will require continued budget support through this carry forward	197
406	Discussion are ongoing with the GLA over the level of grant that they will make available in 2017/18 but a carry forward of LBH resources is required.	500
407	Growth on the High Road. The underspend has been due to delays in delivering a range of projects.	135
411	Tottenham high Road & Bruce Grove Station. Projects within the scheme have been delayed with the most significant being the Bruce Grove Station Forecourt. The carry forward is required to complete the scheme	663
415	North Tottenham Heritage Initiative. The scheme has been delayed and the carry forward required to meet commitments.	253
421	HRW Business Acquisition. Discussions with a number of business are ongoing and the carry forward is required to ensure completion of the scheme. The expenditure will ultimately be reimbursed to the Council via the appointed development partner.	1,543
429	Strategic Acquisitions. The Council acquired five properties and over achieved the budget. This carry forward will be deducted from the 2017/18 budget.	-983
430	Wards Corner CPO. There was no expenditure this year but the project is still ongoing and the budget will be needed.	9,200
434 & 435	Wood Green Regeneration. Delays to projects mean that a carry forward of resources is required to continue with the scheme.	437
438	Vacant possession of the Civic Centre. This has been delayed but the project will shortly be out to tender and the carry forward is required to fund the project.	92

Scheme Number	Description	C/Fwd 2017/18 £000's
439	Ways of working. This is an ongoing project that has a number of commitments and the carry forward is required to complete the scheme	387
444	Marsh Lane Depot. After a steep increase in cost a review is being undertaken. The carry forward will be required to complete the scheme	8,124
445	Hornsey Town Hall	543
446	Alexandra Park Heritage. The procurement by the trust of the main contractor was delayed whilst value engineering was undertaken resulting timing difference for the Council's contribution	2,000
447	Alexandra Pallace Maintenance. The budget loaded was incorrect. The carry forward is proposed for the overall approved capital programme contingency	1,338
450	Winkfield Road. The development of options has taken longer than expected. The carry forward is required in order to deliver vacant possession to allow for disposal for affordable housing.	225
452	Low Carbon Zones	260
462	Western Road Recycling. Unbudgeted expenditure carried forward to be met from P4 overall resources	-23
464	Bruce Castle. Works delayed and carry forward needed to complete the project.	174
465	DEN. Minor overspends tht will need to be carried forward to 2017/18 budget	-4
499	Other. A range of minor over and under spends from old schemes. It is proposed that the carry forward is to the overall approved capital programme contingency.	378
P4 – Total		26,225
PRIORITY 5		
505, 506 & 599	Acquisition of temporary accommodation	4,966
P5 - Total		4.966
PRIORITY 6		
601-604	Business Improvement Programme/Corporate IT Board/Evergreening/Shared Services. This budget contains provision for the SSC tri-borough project that has been delayed. The carry forward is required to enable the project to complete.	8,227
605	Customer Services	1,120
606 & 621	F2F and Library ICT. There are firm plans for these areas and the resources are required in order to complete the projects	810
699	Approved Capital Programme contingency	1,056
P6 – Total		11,213
Total GF		54,308

Scheme Number	Description	C/Fwd 2017/18 £000's
HRA		
590	Homes for Haringey is requesting permission to carry forward £6.2m from the 2016/17 Capital Programme to fund the Decent Homes contractual commitment from the 2016/17 programme. This will enable the 2017 Major Works budget to fund the new projects starting this year which will enable more homes to be made decent in 2017/18.	6,223
591	The funding is required to acquire leaseholder properties on the Love Lane estate, with 79 leaseholders interested. The Council has an obligation to acquire these properties, as agreed by Cabinet in 2014.	6,967
592	The funding is required to acquire leaseholder properties on the Love Lane estate, with 79 leaseholders interested. The Council has an obligation to acquire these properties. This includes homeloss disturbance payments.	2,121
593	New supply to meet housing needs, and use RTB receipts to avoid repayment with high interest charge.	6,420
594	The programme is a year behind and commitments to Borrás Construction is £3,300,000, which will be covered by the carry forward amount.	3,179
Total HRA		24,910
Grand Total (2017/18)		79,218
2019/20 C/Fwd		£'000
316	Asset Management of Council Buildings. There have been significant difficulties with the performance of the main contractor resulting in a significant underspend. It is requested that this resource is carried forward 2019/20	2,346
Total (2018/19)		81,564

TRANSFERS TO/FROM RESERVES

	Balance 01/04/16	2016/17 movements				Balance 31/03/17
		To reserve	From reserve	Realign	16/17 Outturn	
Service Reserves	(5,552)	(5,064)	2,303	-	-	(8,313)
Insurance Reserve	(10,004)	(778)	919	5,000	-	(4,863)
PFI Lifecycle Reserve	(9,772)	(1,059)	1,815	-	-	(9,016)
IT infrastructure Reserve	(996)	-	158	-	-	(838)
Accommodation Strategy	(442)	-	-	-	-	(442)
Transformation	(7,766)	(7,900)	5,327	-	-	(10,339)
Financing Reserve	(5,810)	(3,070)	-	8,000	-	(880)
Debt Repayment Reserve	(5,259)	(1,394)	1,550	-	-	(5,103)
Community infrastructure reserve	(3,000)	-	-	-	-	(3,000)
Urban renewal reserve	(1,403)	-	1,119	-	-	(284)
Unspent Grants Reserve	(3,795)	(543)	825	-	-	(3,513)
Labour Market Growth Resilience Reserve	(1,789)	(688)	898	-	-	(1,579)
Risk Reserve	(400)	-	-	-	-	(400)
Total Earmarked Reserves	(55,988)	(20,496)	14,914	13,000	-	(48,570)
General Fund Balance	(20,004)	-	1,919	(13,000)	16,079	(15,006)

2016/17 QUARTER 4 VIREMENT LIST

Description	Amount
REVENUE VIREMENTS	£
BUSINESS OWNER VALUATION & LEGAL FEES	250,000
FINAL CARE ACT FUNDING ALLOC 2015& 2016	340,000
CARE ACT FUNDING 2016/17	556,300
STAFFING BUDGET RE-ALIGNMENT	282,800
MARSH LANE SALT STORE J 750K	750,000
2016/17 REVISED DEPRECIATION BUDGET	23,304,840
2016/17 DEPRECIATION BUDGET	21,118,285
1.8M AUTO ENROLMENT ONE OFF	1,800,000
ALLOCATION OF BIP CAPITAL PROGRAMME FUNDING	1,379,900
PRIORITY 2 TRANSFORMATION PROGRAMME	1,000,000
HFH-GF TRANSFORMATION RESERVE BID 16/17	533,074
MRP / RESERVE CORRECTION	1,927,600
MRP / RESERVE CORRECTION REVERSAL	1,700,000
REVERSAL HFH GF TRANSF RES BID 2016/17	533,074
MRP / RESERVE TRANSFER	7,946,000
COLLECTION FUND 15/16 SURPLUS TRANSFERRED TO RESERVES	3,070,000
ADDITIONAL GRANT RECEIVED IN YEAR TO NON SERVICE REVENUE	556,300
CAPITAL VIREMENTS	
FEASIBILITY STUDY FOR A DECENTRALISED ENERGY NETWORK IN TOTTENHAM HALE	150,000
FEASIBILITY STUDY FOR A DECENTRALISED ENERGY NETWORK IN WOOD GREEN	150,000
FEASIBILITY STUDY FOR WALLTHOF	20,000
BUDGET CORRECTION FOR ALEXANDRA PALACE MAINTENANCE BUDGET	70,000
BUDGET FOR HORNSEY TOWN HALL	580,000

Report for: Overview & Scrutiny Committee 17th July 2017

Item number: 10

Title: Updated Treasury Management Strategy Statement
2017/18 – 2019/20

Report authorised by: Tracie Evans, Deputy Chief Executive (S151 Officer)

Lead Officer: Thomas Skeen, Head of Pensions
thomas.skeen@haringey.gov.uk 02 08489 1341

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 To present the updated Treasury Management Strategy Statement and Prudential Indicators for 2017/18 – 2019/20 to this Committee for scrutiny before it is presented to Corporate Committee and then Full Council for final approval.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the proposed updated Treasury Management Strategy Statement for 2017/18 to 2019/20 is scrutinised and comments made prior to its presentation to Corporate Committee and Council for approval.

4. Reasons for decision

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

4.2 Haringey's Treasury Management Strategy Statement 2017/18 – 2019/20 was originally approved by Full Council on 27 February 2017. The Council is entering into a partnership with the GLA for the provision of certain treasury management activities, and therefore the need has arisen for the Treasury Management Strategy Statement to be updated in light of this.

The updated document will be presented to Overview and Scrutiny Committee, Corporate Committee, and Full Council for approval before any of the proposed changes are implemented.

5. Alternative Options Considered

- 5.1 The Council must present an updated Treasury Management Strategy Statement to be approved by Full Council (via Overview and Scrutiny and Corporate Committee), in order to implement the GLA partnership arrangements.

6. Background information

- 6.1. The CIPFA Treasury Management Code of Practice requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management, is then subject to scrutiny before being approved by full Council. Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to full Council through Overview and Scrutiny Committee and in consultation with the Cabinet Member for Resources & Culture.
- 6.2. Following scrutiny the report will be considered by Corporate Committee and submitted to Full Council for approval. Any comments by Overview and Scrutiny will be reported to Corporate Committee.
- 6.3. On 14 March 2016 The Corporate Committee approved the proposal to enter into a partnership with the GLA for the provision of treasury services. This partnership with the GLA offers access to a highly resourced specialist team who currently deal with a portfolio which is significantly bigger than the Council's, the partnership therefore offers the Council greater resilience and capability than the Council is able to maintain through in house treasury resources. The partnership will also deliver additional value for the Council in terms of interest earned on investments, as well as lower debt servicing costs due to the larger scale of the GLA treasury operations.
- 6.4. The summary set out in Appendix 1 is to bring to members' attention the key elements of the proposed strategy being considered.

7. Contributions to Strategic Outcomes

- 7.1 The treasury strategy will influence the achievement of the Council's financial budget.

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

Finance and Procurement

- 8.1 The approval of a Treasury Management Strategy Statement and prudential indicators are requirements of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code. The proposed strategy of minimising borrowing and continuing to make use of internal balances not only minimises costs, but also reduces the credit risk associated with investments, as the amount being invested is low.
- 8.2 New borrowing is projected during 2017/18 due to planned maturities and capital expenditure and it is proposed that the cost of refinancing be minimised by borrowing short term from local authorities to maintain liquidity and taking opportunities to fix borrowing rates should favourable opportunities arise.

Legal

- 8.3 The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing is set out in legislations. The level of HRA Capital Financing Requirement must remain within the debt cap set by the Department of Communities and Local Government.
- 8.4 The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the "Prudential Code for Capital Finance in Local Authorities" as published by CIPFA from time to time. In addition, the Council adopted the CIPFA Treasury Management Code of Practice in May 2002. The Code of Practice is at present under review.
- 8.5 As mentioned in this report the Code of Practice requires the Council to agree a Treasury Management Strategy Statement (TMSS) (including an Investment Strategy). In considering the report Members must take into account the expert financial advice available within it and any further oral advice given at the meeting of the Committee.

Equalities

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

9. Use of Appendices

- 9.1 Appendix 1 – Summary of Treasury Management Strategy Statement

9.2 Appendix 2 – Draft Treasury Management Strategy Statement
2017/18 – 2019/20.

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.

Appendix 1

Summary of Treasury Management Strategy Statement

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

Borrowing

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

Investments

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

The Council is required to agree a framework within which officers can make investments. This consists of a lending list of institutions with monetary and time limits (set out in Appendix 4, 5 and 6 of the strategy) and officers cannot lend the Council's monies to any institution not on this list. The second part of the framework is the setting of a minimum credit rating - this means that if any institution on the lending list falls below the minimum, then investments would cease and if possible monies would be withdrawn immediately.

Prudential Indicators

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

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London Borough of Haringey
Updated Treasury Management Strategy Statement
2017-18 to 2019-20

1 Introduction

- 1.1 In February 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Council Investments* in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.5 In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a change in how treasury management services are delivered, a large unexpected change in interest rates, or in the Council's capital programme or in the level of its investment balance.
- 1.6 The Council is entering into a partnership with the GLA for treasury management services and this has necessitated the requirement for this strategy to be updated within the 2017/18 financial year before the new partnership arrangements are implemented.

2 External Context

- 2.1 **Economic background:** The major external influence on the Council's treasury management strategy for 2017/18 will be the UK's progress in negotiating a

smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start in the summer of 2017 and should last for up to two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

- 2.2 The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank has indicated it will tolerate temporary inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.
- 2.3 Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to significantly lower GDP growth. However, the prospect of leaving the single market has dented business confidence and resulted in delay of new business investment and, unless counteracted by higher public spending or retail sales, lack of new business investment will likely weaken economic growth in 2017/18.
- 2.4 Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.
- 2.5 The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcome of the German federal elections (August – October 2017) has the potential for upsetting the status quo.
- 2.6 **Credit outlook:** Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.
- 2.7 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of

other investment options available to the Council; returns from cash deposits however continue to fall.

- 2.8 **Interest rate forecast:** The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.
- 2.9 Gilt yields have risen sharply, but remain at low levels. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.
- 2.10 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.20%, and that new long-term loans will be borrowed at an average rate of 2.84%.

3 **Local Context**

- 3.1 On 30th November 2016, the Council held £319m of borrowing and £38m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.
- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The estimates for each pool, based on the current proposed Revenue Budget and Capital Programmes, are:

Table 1a: Treasury Position – General Fund

	31/03/2016 Actual £'000	31/03/2017 Approved £'000	31/03/2017 Outturn £'000	31/03/2018 Estimate £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000
General Fund CFR	276,919	297,121	304,119	370,238	392,786	412,691

Less: Share of existing external debt and other long term liabilities	147,684	139,960	133,661	125,322	117,622	109,827
Internal Borrowing	129,235	131,318	170,457	207,619	244,514	272,357
Cumulative Net Borrowing Requirement	0	25,843	0	37,297	30,651	30,506

Table 1b: Treasury Position – HRA

	31/03/2016 Actual £'000	31/03/2017 Approved £'000	31/03/2017 Outturn £'000	31/03/2018 Estimate £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000
HRA CFR	271,096	292,666	271,096	278,721	278,721	286,535
Less: Share of Existing External Debt & Other Long Term Liabilities	197,981	191,454	182,483	174,346	167,298	160,346
Internal Borrowing	73,115	69,780	88,613	104,375	111,423	126,189
Cumulative Net Borrowing Requirement	0	31,432	0	15,762	7,048	14,766

- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2017/18 and the remainder of the forecast period.
- 3.4 The tables above show how the Council's capital requirement is funded currently and how it is expected to be funded in the coming years. Due to the differential between short and long term interest rates (discussed in more detail in section 4), the Council has maximised the amount of internal borrowing that can be done. As short term interest rates are forecast to remain relatively low (probably below 2%) for the next few years. It is anticipated that a significant level of internal / short term borrowing will continue, with the only reduction expected reflecting the planned movement in reserves.
- 3.5 Ensuring that gross external debt does not exceed the CFR over the medium term is a key indicator of prudence. There has been no difficulty meeting this requirement in 2016-17 nor are there any difficulties envisaged for future years, as the levels of internal borrowing in tables 1a and 1b above demonstrate.
- 3.6 It is a requirement for the HRA CFR to remain within the limit of indebtedness or "debt cap" set by the DCLG at the time of the implementation of self-financing. The table below shows the current expected level of the HRA CFR and the debt cap. Any decision by the Council to undertake new borrowing for housing will cause the future years' debt predictions for the HRA debt pool to increase.

Table 2: HRA Debt Cap

	31/03/2016 Actual £'000	31/03/2017 Approved £'000	31/03/2017 Outturn £'000	31/03/2018 Estimate £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000
HRA CFR	271,096	292,666	271,096	278,721	278,721	286,535
HRA Debt cap	327,538	327,538	327,538	327,538	327,538	327,538
Headroom	56,442	34,872	56,442	48,817	48,817	41,003

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

Table 3: Capital Expenditure

	2015/16 Actual £'000	2016/17 Approved £'000	2016/17 Out-turn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund	44,571	115,687	55,321	130,955	62,425	64,813
HRA	96,436	83,775	58,210	68,901	42,944	43,220
Total	141,007	199,462	113,531	199,856	105,369	108,033

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

Table 4: Capital Financing

	2015/16 Actual £'000	2016/17 Approved £'000	2016/17 Out-turn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Capital receipts	9,275	25,798	2,385	1,045	12,594	6,204

Other grants & contributions	119,915	38,663	10,946	42,869	15,657	18,531
Government Grants	0	16,612	8,562	16,097	12,903	14,852
Reserves / Revenue contributions	7,452	28,260	56,768	59,186	34,622	33,331
Total Financing	136,642	109,333	78,662	119,197	75,776	72,918
Borrowing	4,365	56,689	32,868	80,659	29,593	35,115
Total	141,007	166,022	111,531	199,856	105,369	108,033

- 3.9. As an indicator of affordability the table below shows the incremental impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme and the number of rented properties (HRA). The General Fund and HRA ratios are below projections this year as no external borrowing has been required. For 2017-18 the ratio is impacted by expectations of significant additional borrowing for the General Fund.

Table 5: Incremental Impact of Capital Investment Decisions

	2015/16 Actual £'000	2016/17 Approved £'000	2016/17 Out-turn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Increase in Band D Council Tax	10.03	32.04	10.84	22.16	18.94	17.62
Increase in Average Weekly Housing Rents	0.42	1.10	0.09	0.48	0.21	0.93

- 3.10. The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on debt costs less investment income.
- 3.11. The ratio for the General Fund is deteriorating over the period. This is due mainly to reduced Council revenues, including reclassification of Better Care funding. The effect of net new borrowing is mitigated by the lower coupon compared with

maturing debt. The HRA would derive greater benefit from the repayment of high coupon debt.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2015/16 Actual	2016/17 Approved	2016/17 Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%	%	%	%
General Fund	1.85	1.93	1.86	2.30	2.10	2.34
HRA	9.02	8.88	8.50	8.92	9.19	9.64

4. Borrowing Strategy

- 4.1. The Council currently holds £270.6m of long term loans, a decrease of £12.6m 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 of £536.1m.

Objectives

- 4.2. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

- 4.3. Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 4.4. By doing so, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by delaying borrowing into future years when long-term borrowing rates are forecast to rise modestly.
- 4.5. The level of reserves and working capital that enable internal borrowing will be monitored and projected changes will be used to determine the timing and level of

new debt. The Council's treasury advisor will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2017-18 with a view to keeping future interest costs low, even if this costs more in the short-term.

- 4.6. Alternatively, the Council may arrange forward starting loans during 2017-18, where the interest rate is fixed in advance, but the cash is received in later years. This will enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. These arrangements will only be considered where there is certainty as to borrowing needs and timing and where predictability of interest costs is beneficial to the capital programme.
- 4.7. The Council will adopt a flexible approach to this borrowing in consultation with its treasury management advisers. The following issues will be considered prior to undertaking any external borrowing:
- Affordability;
 - Maturity profile of existing debt;
 - Interest rate and refinancing risk;
 - Borrowing source.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
 - Other local authorities
 - Institutions such as European Investment Bank and Commercial Banks
 - UK public/private sector pension funds (except Haringey Pension Fund)
 - Capital market bond investors
 - UK Municipal Bonds Agency plc and other entities created to enable local Council bond issues
 - Leasing
- 4.8. The Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages. The Council has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.
- 4.9. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local Council borrowers default on

their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Corporate Committee that contains explicit legal advice.

Lender's Option Borrower's Option Loans

- 4.9 The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2017/18, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. No further LOBO loans will be considered without discussion with Corporate Committee.

Short-term and Variable Rate loans

- 4.10 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below. However, they do, at present, offer significant savings compared with long term debt.

Debt Rescheduling

- 4.11 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

GLA Partnership

- 4.12 As part of the new treasury partnership with the GLA, the GLA will arrange certain borrowing activity on behalf of the Council in line with the above borrowing strategy. Prior to each month, the Council will provide the GLA with prescriptive and tightly controlled parameters within which they may operate to arrange borrowing over the following month for the Council. In 2017/18 it is envisaged that the GLA will only arrange short term borrowing on the Council's behalf for durations of less than 3 months. The GLA will be able to secure more favourable

interest rates on borrowing than the Council due to the much larger scale of their treasury operations.

5. Investment Strategy 2017-18

- 5.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £0 and £50m. It is anticipated that net balances will be lower next year as debt is repaid. The impact on the value of cash balances from capital expenditure and the timing of any associated debt financing are uncertain.

Objectives

- 5.2. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Negative Interest Rates

- 5.3. If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy

- 5.4. The strategy will take two parts following the implementation of the new GLA treasury partnership:

Part 1 Investments through the GLA Partnership:

- 5.5. Haringey will be able to invest short term cash surpluses in the GLA's Group Investment Syndicate (GIS). The GIS has consistently outperformed the returns on investments that Haringey has achieved on in house investments. The GIS

investments have a similar credit profile to those of Haringey's historic investments, but have far more diversification due to the scale of funds managed.

- 5.6. Following the implementation of the GLA partnership, Haringey will normally invest short term cash surpluses with the GIS: these funds will be accessible each business day so that the Council can draw down on any cash required to fulfil day to day requirements as necessary.
- 5.7. All investments made through the GIS will be subject to the GIS investment strategy set out in Appendix 6.

Part 2 Investments made through in house resources:

- 5.8. Although the Council will normally seek to utilise the GLA partnership to invest short term cash surpluses, the Council will also maintain the ability to undertake investment activities using in house resources, should the need arise to do so. For the avoidance of doubt, the paragraphs that follow in section 5 of this relate solely to any investment activity carried out by the Council's in house resource, and not to those carried out through the GLA partnership arrangements.
- 5.9. 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. 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.
- 5.10. Following a review and as cash balances are not expected to increase in 2017/18, counterparty investment limits have been maintained at 2016/17 – counterparty limits for individual banks has been set at £5m and exposure to local Council is maintained at maximum deposit of £15m per Council. These changes also reflect the anticipation that cash balances will continue to remain at or below historic levels as part of the policy to minimise new long term borrowing.

Specified and Non-specified Investments

- 5.11. 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.
- 5.12. 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”.

5.13. 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

5.14. 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.

5.15. Although cash balances will be low at certain times, there may be opportunities to invest core balances for more than twelve months. On occasions investments with a maturity of slightly in excess of 12 months can offer exceptional good value. For this reason, the strategy allows a maximum of £5m to be invested for over 12 months but less than 24 months. The Chief Operating Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Investment activity will be reported to Corporate Committee as part of the quarterly reports.

Table 7: Limits - Specified and Non-Specified Investments

Specified Investments				
Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m	Maximum period of investment

Term Deposits	UK	Debt Management Account Deposit Facility (DMADF), Debt Management Office (DMO)	No limit	364 days
Gilts	UK	Debt Management Office (DMO)	No limit	364 days
Treasury Bills	UK	Debt Management Office (DMO)	No limit	364 days
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£15m per local authority	364 days
Term Deposits/ Call Accounts/ Certificates of Deposit/Covered Bonds	UK or AA+	Counterparties rated at least A- Long Term (or equivalent)	£5m per bank or banking group	364 days
Constant Net Asset Value Money Market Funds (MMFs)	UK/Ireland/ Luxembourg domiciled	AAA-rated Money Market Funds	£10m per MMF*; Group limit £50m	Instant Access
Non Specified Investments				
Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m	Maximum period of investment
Gilts	UK	Debt Management Office (DMO)	£10m	36 Months
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£15m per local authority	36 Months
Term Deposits/ Call Accounts/ Certificates of Deposit/Covered Bonds	UK or AA+	Counterparties rated at least A- Long Term (or equivalent)	£5m per bank or banking group	364 days
Variable NAV Enhanced Cash Funds	UK/Ireland/ Luxembourg domiciled	AAA - rated Funds	£5m per ECF*; Group limit £10m	Minimum Weekly Redemption

Risk Assessment and Credit Ratings

- 5.16. 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.
- 5.17. 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.

- 5.18. 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

- 5.19. 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.

5.20.

- 5.21. 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

- 5.22. The Council’s estimated revenue reserves available to cover investment losses are forecast to be £18m on 31st March 2017. In order that no more than 85% of estimated available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

6. Treasury Management Indicators

- 6.1. Exposures to treasury management risks are measured and managed using the following indicators.

Security

- 6.2. The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 8: Credit Score Target

	Target
Portfolio average credit	3 - 6

Interest Rate Exposures

- 6.3. This indicator is set to control the Authority's exposure to interest rate risk, which includes £125m of LOBO loans. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

Table 9: Interest Rate Exposure

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	60%	60%	60%

- 6.4. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Authorised Limits for External Debt

- 6.5. The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

Table 10: Authorised Limit

	2015/16 Actual	2016/17 Approved	2016/17 Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	283,233	468,174	347,046	481,523	494,848	515,623
Other Long-term Liabilities	49,329	60,057	45,498	54,540	49,132	43,534
Total	332,562	528,231	392,544	536,063	543,980	559,157

Operational Boundary for External Debt

- 6.6. The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit. The Operational Boundary and Authorised Limit apply at the total level.

Table11: Operational Boundary

	2015/16 Actual	2016/17 Approved	2016/17 Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	283,233	418,174	347,046	431,523	444,848	465,623
Other Long-term Liabilities	49,329	54,598	45,498	49,582	44,665	39,576
Total	332,562	472,772	392,544	481,105	489,514	505,199

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

Maturity Profile

- 6.8. The Council is required to set limits on the percentage of the portfolio maturing in each of the periods set out in the table below. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt. The limits have been set to reflect the current debt portfolio, and to allow enough flexibility to enable new borrowing to be taken for the optimum period. The limits apply to the combined General Fund and HRA debt pools.

- 6.9. The maturity range has been applied to LOBO loans (see 4.9 above) based on their contractual maturity date. The column on the right hand side represents the maturity structure based on the next date that the lender is able to reset interest rates.

Table 12: Maturity Profile

	Lower Limit	Upper Limit	31-Mar-17	31-Mar-17
	%	%	%	LOBO adjusted %
under 12 months	0%	60%	5%	32%
12 months & within 24 months	0%	40%	4%	22%
24 months & within 5 years	0%	40%	10%	10%
5 years & within 10 years	0%	40%	8%	8%
10 years & within 20 years	0%	40%	5%	5%
20 years & within 30 years	0%	40%	4%	0%
30 years & within 40 years	0%	50%	33%	19%
40 years & within 50 years	0%	50%	31%	4%
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

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	£10m	£10m	£10m

7. MRP Statement

- 7.1. The Council's MRP policy has been reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent provision for repayment of borrowed capital. The revised policy, which will take effect from 1 April 2016, ensures that provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

- 7.2. The Council will calculate MRP on historic debt based on the Capital Financing Requirement (CFR) as at 1 April 2007.
- 7.3. The Council will calculate the MRP charge based on 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.
- 7.4. The historic MRP policy for borrowing incurred before 2007/08 led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. This resulted in a cumulative charge at 31 March 2016 that was in excess of what is considered prudent and appropriate under the current policy. To reflect the historic over-provision the Council will undertake an annual review to determine whether to make a realignment of MRP charged to the General Fund, using the policy set out above, to recognise the excess sum charged to that point.
- 7.5. The following conditions will apply to the annual review:
- Total MRP after applying realignment will not be less than zero in any financial year.
 - The cumulative total of the MRP realignment will never exceed the amount of historical over-provision calculated to 31 March 2016.

General Fund MRP policy: prudential borrowing from 2007/08

- 7.5. For borrowing incurred on schemes described by the Government as Prudential Borrowing or Unsupported Borrowing, MRP will be calculated over the estimated remaining useful life applicable to the expenditure (usually the useful life of the asset it is financing) using the Annuity repayment method in accordance with Option 3 of the guidance.

- 7.6. This means that MRP will be calculated on an annuity basis (like many domestic mortgages) over the estimated life of the asset. Estimated life periods will be determined by the Section 151 Officer under delegated powers.
- 7.7. In accordance with the provisions in the guidance, MRP will be first charged in the financial year following the one in which the entire asset to which the charge relates, becomes fully operational.
- 7.8. Financial agreements such as loans, investments or where assets are to be acquired for future development (including where capital receipts are part of the business case), will not, at the discretion of the CFO, attract MRP. This discretion will be applied where it is reasonable to assume that the initial capital investment will be returned to the Council in full at maturity or over a defined period.

Concession Agreements

- 7.9. MRP in relation to concession agreements (e.g. PFI contracts) and finance leases will be calculated on an asset life method using an annuity repayment profile, consistent with the method for all prudential borrowing since 2007/08. Estimated life periods will be determined under delegated powers.
- 7.10. The Section 151 Officer may approve that such debt repayment provision may be made from capital receipts or from revenue provision.

Finance Leases

- 7.11. For assets acquired by finance leases, including leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Statutory capitalisations

- 7.12. For expenditure which does not create a fixed asset, but is statutorily capitalised and subject to estimated life periods that are referred to in the guidance, these estimated periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 7.13. Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, at the discretion of the Section 151 Officer.'

8. Capital Expenditure

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

9. Other Items

- 9.1. There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives

- 9.2. The Council has previously made use of financial derivatives embedded into loans to reduce costs e.g. LOBO loans. The Council will not use standalone financial derivatives (such as swaps, forwards, futures and options). Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Policy on Apportioning Interest to the HRA

- 9.3. On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments.

Investment Training

- 9.4. CIPFA's Treasury Management Code of Practice requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 9.5. Given the significant amounts of money involved, it is crucial members have the necessary knowledge to take treasury management decisions. Training sessions are arranged for members to keep their knowledge up to date.
- 9.6. The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers

- 9.7. The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is reviewed by the Council's treasury management staff.

Investment of Money Borrowed in Advance of Need

- 9.8. The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.
- 9.9. The total amount borrowed in 2017-18 will not exceed the authorised borrowing limit of £536m. The maximum period between borrowing and expenditure is expected to be one year, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

- 9.10. The budget investment income in 2017-18 is £30k, based on an average investment portfolio of £14m at an interest rate of 0.20%. The budget for debt

interest paid in 2017-18 is £14.5m, based on an average debt portfolio of £310m (including short term debt) at an average interest rate of 4.95%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will also be different. Interest paid and earned is apportioned between the General Fund and HRA. The average interest rate on existing debt will decline in 2017-18 from 5.19% to 5.10% with interest costs falling by approximately £1.0m. New debt is projected to cost an average 2.84%.

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

Monitoring & Reporting

9.12. Corporate Committee will receive quarterly reports on treasury management activity and performance. This will include monitoring of the prudential indicators.

9.13. It is a requirement of the Treasury Management Code of Practice that an outturn report on treasury activity is produced after the financial year end, no later than 30th September. This will be reported to Corporate Committee, shared with the Cabinet member for Resource & Culture and then reported to full Council. Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

9.14. Officers monitor counterparties on a daily basis with advice from the Council's treasury management advisers to ensure that any creditworthiness concerns are addressed as soon as they arise.

10. Other Options Considered

10.1. The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Operating Officer (COO), having consulted Corporate Committee, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of	Interest income will be higher	Increased risk of losses from

counterparties and/or for longer times		credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

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

	31-Mar-17 Outturn £'000	31-Mar-18 Estimate £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000
Existing External Borrowing commitments:				
PWLB	45,882	41,722	38,120	34,566
Market loans	42,281	42,281	42,281	42,281
Total External Borrowing	88,163	84,003	80,401	76,847
Long Term Liabilities	45,498	41,318	37,221	32,980
Total Gross External Debt	133,661	125,322	117,622	109,827
CFR	304,119	370,238	392,786	412,691
Internal Borrowing	170,457	207,619	244,514	272,357
Cumulative Borrowing requirement	0	37,297	30,651	30,506

B: HRA Pool

	31-Mar-17 Outturn £'000	31-Mar-18 Estimate £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000
Existing External Borrowing commitments:				
PWLB	182,483	174,346	167,298	160,346
Market loans	82,719	82,719	82,719	82,719
Total External Borrowing	265,202	257,065	250,017	243,065
CFR	271,096	278,721	278,721	286,535
Internal Borrowing	88,613	104,375	111,423	126,189
Cumulative Borrowing requirement	0	15,762	7,048	14,766

C: Security Measure

		2017-18	2018-19	2019-20
Above target	AAA to AA+	Score 0 - 2	Score 0 - 2	Score 0 – 2
Target score	AA to A	Score 3 – 6	Score 3 – 6	Score 3 – 6
Below target	Below A	Score 6+	Score 6+	Score 6+

Summary of Prudential Indicators

No.	Prudential Indicator	2017/18	2018/19	2019/20
CAPITAL INDICATORS				
1	Capital Expenditure	£'000	£'000	£'000
	General Fund	130,955	62,425	64,813
	HRA	68,901	42,944	43,220
	TOTAL	199,856	105,369	108,033

No.	Prudential Indicator	2017/18	2018/19	2019/20
2	Ratio of financing costs to net revenue stream	%	%	%
	General Fund	2.30	2.10	2.34
	HRA	8.92	9.19	9.64

No.	Prudential Indicator	2017/18	2018/19	2019/20
3	Capital Financing Requirement	£'000	£'000	£'000
	General Fund	370,238	392,786	412,691
	HRA	278,721	278,721	286,535
	TOTAL	648,959	671,507	699,226

No.	Prudential Indicator	2017/18	2018/19	2019/20
4	Incremental impact of capital investment decisions	£	£	£
	Band D Council Tax	22.16	18.94	17.62
	Weekly Housing rents	0.48	0.21	0.93

No.	Prudential Indicator	2017/18	2018/19	2019/20
TREASURY MANAGEMENT LIMITS				
5	Borrowing Limits	£'000	£'000	£'000
	Authorised Limit	536,063	543,980	559,157
	Operational Boundary	481,105	489,514	505,199

No.	Prudential Indicator	2017/18	2018/19	2019/20
6	HRA Debt Cap	£'000	£'000	£'000
	Headroom	48,817	48,817	41,003

No.	Prudential Indicator	2017/18	2018/19	2019/20
7	Upper Limit - Fixed Rate Exposure	100%	100%	100%
	Upper Limit - Variable Rate Exposure	60%	60%	60%

No.	Prudential Indicator	2017/18		2018/19		2019/20	
8	Maturity Structure of Borrowing						
	U: Upper, L: Lower	L	U	L	U	L	U
	Under 12 Months	0%	60%	0%	60%	0%	60%
	12 Months & Within 2 Years	0%	40%	0%	40%	0%	40%
	2 Years & Within 5 Years	0%	40%	0%	40%	0%	40%
	5 Years & Within 10 Years	0%	40%	0%	40%	0%	40%
	10 Years & Within 20 Years	0%	40%	0%	40%	0%	40%
	20 Years & Within 30 Years	0%	40%	0%	40%	0%	40%
	30 Years & Within 40 Years	0%	50%	0%	50%	0%	50%
	40 Years & Within 50 Years	0%	50%	0%	50%	0%	50%
	50 Years & above	0%	40%	0%	40%	0%	40%

No.	Prudential Indicator	2017/18	2018/19	2019/20
9	Sums invested for more than 364 days	10	10	10

No.	Prudential Indicator	2017/18	2018/19	2019/20
10	Adoption of CIPFA Treasury Management Code of Practice	✓	✓	✓

Arlingclose Economic & Interest Rate Forecast November 2016

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely..

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Ave rage
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.70	1.50	1.40	1.40	1.40	1.40	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
50-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.60	1.40	1.30	1.30	1.30	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.41
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57

Counterparty Policy for in house treasury activities

The investment instruments identified for use in 2017-18 are listed in the table. Each investment type is classified as either 'Specified' or 'Non – Specified' investment categories. Specified investments are considered low risk and relate to funds invested for up to one year. Only those investments with a credit rating of at least AA- are considered as specified. Non-specified investments normally offer the prospect of higher returns but carry higher risk and may have a maturity beyond one year. At least 50% of investments held will be specified. All investments are sterling denominated.

As discussed in the borrowing strategy the plan during 2017-18 is to rely on short term debt and minimise cash balances. This will lead to a high proportion short dated and tradable instruments e.g. money market funds, T-bills, CDs and DMO within the cash portfolio to cover liquidity needs.

Investments do not include capital expenditure as defined under section 25(1) (d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

Minimum Credit Quality & diversification Limits

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

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

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

The limits stated in the table below will apply across the total portfolio operated by the Council and so incorporate both Council and Pension Fund specific investments. The limits for the period of investment are the maximum for the categories of counterparties. Lower operational limits will apply if recommended following a review of creditworthiness. Operationally a limit will be applied to the amount invested in any MMF of no more than 2.0% of the Money Market Fund's total assets.

Non UK Banks

The use of non-UK banks was suspended pre April 2015. Nine countries retain AAA ratings from all three rating agencies – Australia, Canada, Denmark, Germany, Netherlands, Norway, Singapore, Sweden and Switzerland. Within these countries twelve banks meet the AA- or better criteria mentioned above and these have been included as eligible counterparties (Appendix 5). Using the highest quality overseas banks will both improve the overall security of the investment portfolio and enable greater diversification.

Maturities Guidance

At present, maturities have been kept to less than 12 months reflecting the expectation that cash balances will be maintained at low levels. However, there remains a core cash balance that persists over time. Longer maturities attract higher returns at present to compensate for illiquidity and the prospect of increased base rates in future. The strategy has been revised to permit a maximum of £10m to be invested between 12 – 24 months.

Institution Type	Minimum Credit Rating	Maximum Counterparty Limit	Maximum Period of Investment	Specified / Unspecified
Debt Management Office	UK Government	No limit	364 days	specified
Gilts, Treasury Bill & Repos	UK Government	No limit	364 days	Specified
		£10m	24 months	non-specified
Supra-national Banks & European Agency	AA-	£10m	364 days	specified
		£5m	24 months	non-specified
Covered Bonds issued by UK Banks	Bond AA+ / counterparty A-	£5m per bond, £20m aggregate	364 days	Specified
	Bond AA+ / Counterparty BBB+	£5m per bond, £10m aggregate	364 days	Non-specified
	Bond AA+ / counterparty A-	£5m per bond, £10m aggregate	24 months	non-Specified
UK Local Council Deposits	n/a	£15m per counterparty	364 days	specified
		£5m per counterparty	24 months	non-specified
UK & AAA country Banks - term deposits, CDs and call accounts	AA-	£10m per bank or banking group	364 days	specified
	AA-	£5m per bank or banking group	24 months	non-specified
	A-	£5m per bank or banking group	364 days	non-specified
Constant Net Asset Value Money Market Funds (MMFs), UK / Ireland / Luxembourg domiciled	AAA	£10m per MMF. Aggregate £50m.	daily liquidity	specified
Variable NAV Enhanced Cash Funds, UK/Ireland/Luxembourg domiciled	AAA	£5m per ECF. Group limit £15m	Minimum Weekly Redemption	non-specified

Additional Details on Types of Investments

Banks and Building Society Deposits, Call Accounts and Certificates of Deposit: These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Covered Bonds: These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Money Market and Enhanced Cash Funds: Shares in diversified investment vehicles consisting of time deposits, call accounts, CDs etc with banks and financial institutions. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while Enhanced Cash Funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Lending List of counterparties for investments made in house

This is the proposed list of bank counterparties which the Council can lend to, providing the counterparties meet the requirements set out in Appendix 4 at the time of investment. The list will be kept under constant review and counterparties removed if the process described in the investment strategy raises any concerns about their credit worthiness. In addition to the counterparties listed below, UK government, local authorities, money market funds and enhanced cash funds are included in Appendix 4.

A UK bank has been suspended as a counterparty when compared with last year's list. The number of supranational banks has doubled from four to eight. All are AAA rated by the three rating agencies. These banks raise funds via CDs. The Arlingclose support maximum maturities of up to 25 years for AAA rated supranational banks, although a 15 year maximum maturity is recommended for the Council of Europe Development Bank.

There has been a net addition of six overseas banks to the counterparty list. All are rated AA- or better by all three rating agencies. These banks rarely take deposits in the UK but can be accessed through CDs. There are currently no overseas banks in the portfolio. In addition to the limits set out in Appendix 4, a limit of £5m per bank and £10m per Non-UK country will be applied.

Covered deposits offer additional default protection due to the provision of collateral as security.

The counterparty list excludes MMF and ECF's as the name of the fund reflects the fund manager not the quality of the underlying holdings. Selection of MMFs and ECFs will be based on the criteria set of in Appendix 4. The limit for any single MMF is £10m and each ECF is £5m – Group limit £50m.

Should Arlingclose reduce the maximum recommended maturity guidance for any bank, this will be reflected in the portfolio.

Instrument	Country / Domicile	Counterparty	Arlingclose Suggested (Maximum) Maturity
UK Banks and Building Societies- Term Deposits, Call Accounts & CDs			
	United Kingdom	BANK OF SCOTLAND PLC	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	ABBNEY NATIONAL TREASURY SERV	6 months
	United Kingdom	SANTANDER UK PLC	6 months
UK: Other Institutions			
	United Kingdom	DEBT MANAGEMENT OFFICE	50 years
	United Kingdom	LCR FINANCE PLC	15 years
	United Kingdom	WELLCOME TRUST FINANCE PLC	20 years
Non-UK Banks - Term Deposits, Call Accounts and CDs			
	Australia	AUST AND NZ BANKING GROUP	6 months
	Australia	NATIONAL AUSTRALIA BANK LTD	6 months
	Canada	EXPORT DEVELOPMENT CANADA	25 years
	Denmark	KOMMUNEKREDIT	25 years
	Finland	MUNICIPALITY FINANCE PLC	15 years
	Germany	FMS WERTMANAGEMENT	25 years
	Germany	KREDITANSTALT FUER WIEFERAUF	25 years
	Germany	LANDESKRED BADEN-WUERTT FOER	25 years
	Germany	LANDWIRTSCHAFTLICHE RENTENBA	25 years
	Germany	LAND SACHSEN-ANHALT	15 years
	Netherlands	BANK NEDERLANDSE GEMEENTEN	5 years
	Netherlands	NEDERLANDSE WATERSCHAPSBANK	5 years
	Norway	KOMMUNALBANKEN AS	5 years
	Singapore	TEMASEK FINANCIAL I LTD	10 years
Supranational Banks			
		COUNCIL OF EUROPE DEVELOPMNT	15 years
		EUROPEAN BANK FOR RECONSTRUC	25 years
		EUROPEAN COAL & STEEL COMMUN	25 years
		EUROPEAN INVESTMENT BANK	25 years
		INTER-AMERICAN DEV BANK	25 years
		INTERNATIONAL BANK FOR RECON	25 years
		INTERNATIONAL FINANCE CORP	25 years
		NORDIC INVESTMENT BANK	25 years

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Appendix 6

GREATER**LONDON**AUTHORITY

Dated: 1st April 2017

GREATER LONDON AUTHORITY

and

LONDON FIRE AND EMERGENCY PLANNING AUTHORITY

and

LONDON LEGACY DEVELOPMENT CORPORATION

and

MAYOR'S OFFICE FOR POLICING AND CRIME

and

LONDON PENSIONS FUND AUTHORITY

GIS INVESTMENT STRATEGY 2017-18

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GIS Investment Strategy 2017-18

This investment strategy applies to investments pooled under GIS 1 (short term liquidity) and GIS 2 (strategic reserves)

Limits and Compliance

- 1.0 All limits, unless explicitly stated otherwise, refer to the composition of the daily balance of the GIS; for compliance purposes, all limits will be assessed daily.
- 2.0 The making of any investment which causes a breach of limits is not permitted and constitutes an **active exception**.
- 3.0 **Active exceptions of any size will be reported immediately** upon identification to the CIO, Syndics and their nominated substitutes. Relevant committees or boards will be notified as specified in each Participant's TMSS.
- 4.0 Additionally, breaches of daily limits may occur due to changes in the GIS balance or the credit assessment of existing investments, including the credit status of the country of domicile. Such an occurrence constitutes a **passive exception**. Passive exceptions will be reported immediately to the CIO, the GLA's statutory CFO and his deputy. Subsequent reporting will be threshold based as follows:

Passive Exception Level (lower of)	Temporary: ≤ 3 consecutive days	Persistent: >3 days
<5% or £25m	Logged and reported quarterly to Syndics within 1 month of quarter end	Logged and reported quarterly to Syndics within 1 month of quarter end
5-10% or £50m	Logged and reported quarterly to Syndics within 1 month of quarter end	Reported to Syndics immediately
>10% or £50m	Reported to Syndics immediately	Reported to Syndics immediately

The percentage limits above apply to total daily balance of the GIS or the total number of days in the case of limits expressed as days.

- 5.0 As an additional, prudent measure, forward looking diversification limits for new, internally-managed investments shall be maintained. These limits **apply to the forecast average GIS balance over the life of the investment being considered**; for operational expediency the forecasts shall be

produced up to the last day of the following maturity 'buckets' given in days and limits applied accordingly:

O/N	2	8	31	61	91	12	151-	181-	211-	241-	271-	301-	331-	398-
	-	-	-	-	-	-	180	210	240	270	300	330	397	730
	7	30	60	90	120	150								

- 6.0 If an investment is made in breach of these forward-looking limits, it is an active breach of investment strategy and will be reported per 3.0. Where changes in cash flow forecasts or counterparty and/or instrument status result in forward-looking limits being exceeded by existing investment positions, the CIO will be notified, who may then modify investment tactics to reduce the likelihood of a passive exception as defined in 4.0 occurring. Such an occurrence does not constitute an exception of any kind and need not be reported further.
- 7.0 Mitigating actions for all breaches will in the first instance be taken at the discretion of the CIO (or the GLA's statutory CFO, or his deputy). Such decisions must be supported by an analysis of the costs and benefits of attempting to reduce the overexposure in question versus tolerating it. In all cases a file note of the decision will be retained and circulated to the Syndics. A majority of the Syndics may instruct alternative action.

Risk Appetite Statement

- 8.0 Capital preservation is the primary GIS objective at the portfolio level, followed by provision of liquidity to meet Participants' cash flow needs.
- 9.0 In order to deliver best value on public funds, the Participants are prepared to take some investment risk to the extent outlined below, where such risk is rewarded by yields above UK government securities held to maturity.
- 10.0 The risk of loss through default in the entire portfolio (or any subsection delegated to an external manager) should not exceed risk of loss through default equivalent to a 1 year exposure to a typical AA- rated issuer.
- 11.0 No individual instrument/investment should pose a greater risk of loss through default than a 90 day exposure to a typical BBB issuer.
- 12.0 The Participants will tolerate price volatility where there is an expectation of holding an investment to maturity; where the expectation is that sale before maturity is likely or where the investment is in

a variable NAV fund, the combined risk of loss through default and crystallised falls in price should not exceed the risk tolerance specified in 10.0.

- 13.0 This strategy sets out risk controls and limits that, in the opinion of the Participants, deliver these objectives.
- 14.0 Alternative controls and limits, save for the overarching requirements of 15.0-17.0 and 21.0, may be used by external managers appointed in accordance with 18.0, if those limits are judged by the Syndics, on the advice of the CIO or other independent professional advice, to be appropriately effective.

Permissible Investments

- 15.0 All investments must be Sterling-denominated financial instruments
- 16.0 Specified Investments (i.e. 'low risk' instruments as defined by Statutory Guidance) shall constitute at least 50% of the portfolio at any time.

17.0 Approved Specified (S) and non-Specified (NS) Investments:

Investment type	Eligibility criteria	≤ 1 year to maturity at time of investment	> 1 year to maturity at time of investment	Maximum total exposure as a proportion of daily balance
Senior Unsecured Debt <ul style="list-style-type: none"> • UK Gilts and T-Bills • Deposits • Call Accounts • Notice Accounts • Certificates of Deposit • Loans • Commercial Paper • All other senior unsecured bonds 	<p>Issuer (and security where separately rated) Investment Grade (IG) defined per 36.0</p> <p>OR</p> <p>UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance)</p> <p>OR</p> <p>Issuer not meeting general criteria but instruments explicitly guaranteed by IG entity or sovereign national government meeting acceptable sovereign ratings per 32.0</p>	S	NS	100%
Constant Net Asset Value Money Market Funds	<p>Fitch AAA_{mmf} or above</p> <p>See 36.0 for equivalents from other agencies.</p> <p>Daily liquidity</p>	S	N/A	<p>100%</p> <p><i>Not more than 20% per fund</i></p>
Other Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)	<p>Fitch AAA_f</p> <p>or equivalent from other agencies per 36.0</p>	NS	<i>Not permitted.</i>	20%

Investment type	Eligibility criteria	≤ 1 year to maturity at time of investment	> 1 year to maturity at time of investment	Maximum total exposure as a proportion of daily balance
Senior UK Prime or Buy to Let Residential Mortgage Backed Securities (RMBS)	Bond rating Fitch AA+ _{sf} or above or equivalent from other agencies per 36.0	NS	NS	20%
Covered bonds	Bond rating Fitch AA+ _{sf} or equivalent from other agencies per 36.0 AND Issuer rated Fitch A- or above or equivalent from other agencies per 36.0	NS	NS	20%
Repurchase Agreements (Repo)	Counterparty meets senior unsecured criteria AND proposed collateral (Min 100%) itself meets permitted investment criteria Or Collateralisation is >102% with UK Gilts / T-Bills	S – UK gilts or T-Bills AND Counterparty meets senior unsecured criteria NS – other	<i>Not permitted.</i>	S – 100% NS – 20%, and not more than 10% with counterparties not meeting senior unsecured criteria.

18.0 The Syndics may delegate the management of a portion, not exceeding the forecast minimum GIS balance for the next 12 months, of the GIS to external fund managers if this is deemed prudent.

Liquidity and Maturity Limits

19.0 Portfolio Weighted Average Maturity (WAM) ≤ 91days (GIS 1) ; ≤ 3 years (GIS 2)

[Maturity here refers to the final expected maturity or if relevant the first call option of the instrument; in the case of funds the maturity will be the redemption period; in the case of call or notice accounts, the notice period].

20.0 Sub-portfolio (managed by an external manager) WAM \leq 3years

Individual maturity limit, internally managed instruments: \leq 2 years

[In the exceptional event of the internal team taking possession of repo collateral, e.g. gilts that exceed this limit, the expectation is that these will be sold at the earliest opportunity, subject to market conditions]

21.0 Individual maturity limit, externally managed instruments: \leq 5 years

[Note – in the case of RMBS these limits apply to the date by which all principal is expected to received, based on analysis of the underlying mortgage pool and indicated call dates – the legal maturity date, based on the longest dated mortgage in the relevant pool, is not limited given the extremely low probability of the bond failing to be repaid by that time;

In the case of covered bonds, these limits apply to the expected maturity date, which may not include the exercise of the extension option]

22.0 Limit for total exposure >12months: \leq 25% of total daily balance.

23.0 Forward Dealing limit: aggregate value of outstanding forward deals \leq 20% of daily balance; forward deals must not be struck with an individual counterparty if the limit forecasts defined in 5.0 indicate this is likely to cause an exception. See also 42.0 for credit risk management of forward deals.

[The GIS defines 'forward' as negotiated more than 4 banking days in advance of delivery. The CIO may make exceptions to this limit where the counterparty is a GIS Participant and the forward period is less than 3 months]

24.0 Internally managed investments should only be made where GIS cash flow forecasts or best estimates suggest the instrument may be held to maturity. Externally managed investments may be purchased with lower certainty subject to the provisions of 12.0

Counterparty Concentration Limits

(Apply individually and cumulatively to groups)

- 25.0 The total exposure to a group of companies (a parent company and any subsidiaries, i.e. companies of which it owns 20% or more of authorised share capital) shall not exceed the maximum individual exposure limit of the constituents of the group.
- 26.0 Maximum unsecured exposure to company or group: $\leq 5\%$ (subject to enhancements below)
- 27.0 Enhanced limits apply for UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance) and institutions covered by Capita's Colour Banding Methodology:

Cash Exposure Limits – applied to individual counterparties		
Band	Overnight	> 1 day
UK Sovereign	100%	100%
Yellow	50%	25%
Purple	50%	20%
Orange	25%	15%
Red	25%	10%
Green	10%	5%
No Colour	5%	5%

- 28.0 The Bands above are calculated based on a range of credit ratings data, including published rating Watches and Outlooks. Where the price of 5 year Credit Default Swaps for a given counterparty exceeds barrier levels proposed by Capita with regard to market history, the Band will normally be adjusted downwards. The CIO may postpone such adjustments in consultation with the Syndics, for instance, if it is felt that changes in CDS prices do not reflect an increase in the individual credit risk of a particular counterparty.
- 29.0 Additionally, an enhanced overnight limit of 100% applies to the GIS banker, RBS.
- 30.0 If, in the judgement of the Chief Investment Officer, the structure of a bond associated with a local authority is such that the credit risk is not identical to a bilateral loan with that authority, the rating of the bond itself will be used and the 5% limit will apply.

31.0 Maximum aggregate exposure including indirect or collateralised exposures:

Security Type	Cumulative Enhancement
Non-specified Repo	2.5%
Covered Bond	5%
RMBS	7.5%
Specified Repo	10%

[These enhancements are cumulative so the maximum possible total enhancement is 10% above is the counterparty's senior unsecured limit]

Geo-political risk limits [under review]

32.0 Maximum exposures to non-UK institutions apply by country, based on the relevant sovereign ratings outlined in the table below:

Max. Aggregate Exposure (%)	Fitch Sovereign Rating	S&P Sovereign Rating	Moody's Sovereign Rating
25	AAA	AAA	Aaa
15	AA+	AA+	Aa1
5	AA	AA	Aa2

33.0 Where more than one rating is available the lowest common denominator will be used, unless in the opinion of the CIO there is an overriding reason to favour or disregard a particular agency's view. The use of this discretion will be reported immediately to the Syndics.

34.0 If 5y CDS spreads for the relevant country's central government bonds exceed barrier levels from time to time agreed by the Syndics on the advice of Capita or the CIO, the aggregate exposure limit will normally be reduced to that of the lower rating, or in the case of a AA sovereign, further investment will be suspended. The CIO may postpone such adjustments in consultation with the Syndics.

35.0 The Participants recognise that the approach above does not perfectly mitigate geopolitical risks, therefore the CIO is empowered to suspend investment in any particular country should concerns arise. The use of this discretion will be reported immediately to the Syndics.

Credit Risk Limits

36.0 Permitted issuer credit ratings and equivalence mappings

Senior Unsecured Bond and/or Issuer Ratings					
Long term			Short term		
Fitch	Moody's	S&P	Fitch	Moody's	S&P
AAA	Aaa	AAA			
AA+	Aa1	AA+			
AA	Aa2	AA	F1+	P-1	A-1+
AA-	Aa3	AA-			
A+	A1	A+			
A	A2	A	F1	P-1	A-1
A-	A3	A-			
BBB+	Baa1	BBB+			
BBB	Baa2	BBB	F2	P-2	A-2
Structured Finance Ratings					
Fitch		Moody's		S&P	
AAA _{sf}		Aaa (sf)		AAA (sf)	
AA+ _{sf}		Aa1(sf)		AA+ (sf)	
Money Market Fund Ratings					
Fitch		Moody's		S&P	
AAA _{mmf}		Aaa-mf		AAAm	
Other Permitted Fund Ratings					
Fitch		Moody's		S&P	
AAA _f		Aaa-bf		AAA _f	

37.0 Where more than one rating is available the lowest common denominator will be used, unless in the opinion of the CIO there is an overriding reason to favour or disregard one particular agency's view. The use of this discretion will be reported immediately to the Syndics.

38.0 For internally managed investments Credit Factors will also be calculated individually and Portfolio Credit Factor (PCF) on a book value weighted average basis with reference to the following tables:

Credit Factors based on Issuer Default Rating (Fitch and Fitch Equivalents)
Use instrument rating or if not rated, rating of Issuer.

Days	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB
O/N	0.01	0.01	0.01	0.01	0.02	0.03	0.04	0.07	0.10
2-7	0.02	0.04	0.06	0.10	0.15	0.20	0.30	0.50	0.80
8-30	0.10	0.15	0.25	0.40	0.60	0.75	1.30	2.10	3.50
31-60	0.20	0.30	0.50	0.80	1.20	1.50	2.60	4.20	7.00
61-90	0.25	0.50	0.75	1.25	1.50	2.50	5.00	7.50	10.00
91-120	0.35	0.65	1.00	1.50	2.30	3.30	6.60	10.00	13.50
121-150	0.40	0.80	1.25	2.10	2.90	4.20	8.30	12.50	16.50
151-180	0.50	1.00	1.50	2.50	3.50	5.00	10.00	15.00	20.00
181-210	0.60	1.20	1.75	3.00	4.00	5.80	11.70	17.50	23.50
211-240	0.70	1.30	2.00	3.30	4.70	6.60	13.30	20.00	27.00
241-270	0.75	1.50	2.25	3.75	5.25	7.50	15.00	22.50	30.00
271-300	0.80	1.70	2.50	4.20	5.80	8.30	16.70	25.00	33.50
301-330	0.90	1.85	2.75	4.60	6.50	9.20	18.50	27.50	37.00
331-397	1.00	2.00	3.00	5.00	7.00	10.00	20.00	30.00	40.00
398-730	2.70	5.30	8.00	13.00	19.00	27.00	43.00	69.00	106.00

Other treatments	
UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance)	<p>Treat as AAA above</p> <p>Except:</p> <p>If, in the judgement of the Chief Investment Officer, the structure of a bond associated with a local authority is such that the credit risk is not identical to a bilateral loan with that authority, the rating of the bond itself will be used</p>
Instruments explicitly guaranteed by IG entity or sovereign national government meeting acceptable sovereign ratings per 32.0	Use Credit Factors appropriate to guarantor strictly for the period of the guarantee, reverting to rating of issuer thereafter
Repo	<p>Use Credit Factors appropriate to repo counterparty, not collateral;</p> <p>Unrated or sub-BBB counterparty with >102% Gilt/T-bill collateralisation – treat as BBB</p>
Approved fund, e.g. AAA _{mmf}	Use Credit Factor of 1.5
Covered Bonds or RMBS	Use Credit Factor of 5

39.0 Where a counterparty's (or its country of domicile's) 5 year CDS spreads exceed barrier levels from time to time agreed by the Syndics on the advice of Capita or the CIO, the Credit Factor used for the PCF calculation will be from the factor set of one or more notches below the issuer or security rating (e.g. If a AA+ counterparty's CDS spread exceeds the first barrier level, AA factors will be used to the PCF).

40.0 The following limits apply at all times:

- Maximum Credit Factor of any single security: 10.00
- Maximum PCF: 5.00

41.0 The PCF will be calculated and recorded daily.

42.0 The total contractual exposure of any transaction with counterparty, i.e. in the case of a forward deal, the forward period PLUS the eventual length of the deal should be considered at the time of the

transaction and compared to table 38.0 – the Credit Factor for the total exposure period at the counterparty's credit rating at the time of the deal must not exceed 10.

Deposit Facility of Last Resort

- 43.0 In the circumstance of being unable to place funds with counterparties within approved limits, the Investment Manager will attempt to place the surplus funds with the Debt Management Account Deposit Facility (DMADF). This facility may, of course, also be used in other circumstances if it offers rates above equivalent market levels, though in past experience this is unlikely.
- 44.0 In the instance of technical failures or unexpected monies being received after the cut-off time for sending payments, the GLA, as the GIS Investment Manager, will have no choice but to leave the funds with the GLA's bankers, RBS. In such circumstances, the funds will be moved to the GLA's call account at RBS.

Custody Arrangements

- 45.0 Internally or externally managed securities may be held by a Custodian; in such circumstances:
- a. The Custodian or any Sub-Custodian employed by the Custodian (whichever actually holds the GIS securities) must be Fitch A- rated or equivalent
 - b. Any cash held by the Custodian or any Sub-Custodian pending transactions must be properly identified as an unsecured deposit and consolidated into the PCF calculation
 - c. The Custodian or any Sub-Custodian shall not be entitled to invest such cash in any money market fund or other product without the permission of the GIS. Any such investment must meet the criteria of 17.0.
- 46.0 The above applies to any Custodian or Sub Custodian holding collateral on behalf of the GIS in respect of a Repo transaction. Note – 'Held in Custody' Repos where collateral is held at the borrower's custodian in the borrower's title are NOT permitted.

CIO Discretions

- 47.0 The CIO may restrict the use of any counterparty for any reason related to the management of risk, including reputational risk to any Participant. Such restrictions may be overturned by any majority of Syndics.
- 48.0 When postponing CDS-driven adjustments to exposure limits, the Group Treasury team will notify the Syndics of the CIO's decision immediately. Syndics will have until 12pm to register concerns otherwise the decision will be implemented for that day. Any majority of Syndics may reverse the decision subsequently.

49.0 All above mentioned CIO discretions may also be exercised by the GLA's statutory CFO and his deputy.

Responsible Investment

50.0 All investment will be made in accordance with the following policy with respect to fossil fuel companies:

GLA Group Responsible Investment Statement on Climate Change

The Greater London Authority is committed to a number of principles which guide their investment decisions. The Greater London Authority will consider non-financial factors when investing, such as alignment of the activities of investment counterparties with Mayoral policy on environmental and social impact, providing no compromise of fiduciary duty arises from such considerations.

Regarding climate change in particular, the Authority will not actively invest in companies or projects ("fossil fuel companies" and "fossil fuel projects") that derive more than 10% of revenues from the extraction of fossil fuels, ignore the impact and risks associated with the use of fossil fuels, and are unable to demonstrate a commitment to achieving environmental benefits, in particular through a plan to limit climate change in line with the Paris Agreement:

http://unfccc.int/paris_agreement/items/9485.php

The Authority notes a distinction between Natural Gas, which will continue to play a valuable role out to 2030, both for heating and for electricity generation, and other fossil fuels; nevertheless the Authority would expect a demonstrable commitment to achieving environmental benefits from companies involved in gas extraction.

In order to assess the level of commitment to achieving environmental benefits, the Authority will make use of the Transition Pathway Initiative, as adopted by a range of leading institutional investors:

<http://www.lse.ac.uk/GranthamInstitute/tpi/about/>

Where such investments are already in place, and opportunities for engagement and reform of the company or project do not exist, the Authority will make all reasonable efforts to divest provided that this will result in no material financial detriment (either through cost or increased investment risk).

The Authority views divestment and avoidance of any long term financial exposure to such companies or projects as entirely consistent with its fiduciary duty to protect and obtain best value from public funds.

This is also consistent with the Mayor of London's climate change goals and commitment to ensuring that optimum low carbon investment decisions are taken, to help to maximise social and economic benefits. .

To explain these statements concisely the Authority makes the following definitions, with examples of application:

"invest" – in this context, investment means the acquiring ownership of all or part of a fossil fuel company or otherwise providing financial support to such a company or any project which ignores the environmental impact and risks associated with Fossil Fuels;

“actively” – means making a choice to invest based on a direct assessment of that company or project or to knowingly create a long term economic interest in such companies or projects.

“environmental benefits” – means reducing net carbon emissions over time.

“opportunities for engagement” – means the ability to meaningfully influence the strategy or development of the company or project. This might be through the exercise of voting rights, either individually or alongside like-minded investors or other routes;

“ignoring the impact and risks associated with fossil fuels” – means continuing or developing new business activities contributing to climate change through fossil fuel emissions or environmental damage resulting from relevant fuel extraction without regard to development of new and sustainable alternatives or other transition planning towards a lower environmental impact.

“long term financial exposure” – means exposure for more than 12 months, either through actual investment or commitments to invest (contingent or otherwise) where the length of the commitment plus the expected duration of the investment exceeds this period.

Examples of application:

- Making a loan to a fossil fuel company in order fund expansion of conventional extraction activities would meet the definition of investment for these purposes; making a loan to a fossil fuel company to develop an alternative technology would not.
- Purchasing a fossil fuel company bond, from another bond holder would not meet the definition as it does not lead to ownership or engagement, nor provide new financial assistance to the company. Participating in the purchase of newly issued long term bonds may or may not classify as investment depending on the proposed use of proceeds.
- Commercial Paper or other debt instruments with less than a year to maturity would not constitute investment in this context as there is no associated ownership or engagement, nor do the longer term risks associated with exposure to unsustainable industries (which this strategy seeks to mitigate) apply over the life of such instruments.
- Directly purchasing equity in a fossil fuel company would constitute an active investment.
- Buying units in an exchange-traded tracker fund, where the index is known to contain fossil fuel companies may or may not constitute an active investment. It would be active if the intent was for the allocation to be a permanent part of the investment portfolio *and* the composition of the index was weighted more than 10% towards fossil fuel companies; it would not if the purchase was made to maintain broad market exposure, for instance during a transition between active portfolios. In any circumstance, the Authority seeks to influence the composition of the market (reflected in passive investments) through its own active decisions and those of likeminded partners.
- Circumstances involving conglomerates with a mixture of subsidiaries, some of which may meet the fossil fuels company definition (whereas others may, for example, be focused on renewable energy), would be considered on a case-by-case basis, with investment being possible if the overall

corporate strategy appears to be environmentally sustainable and offset the financial risks this statement seeks to mitigate.

Explanatory Notes

Background to the GIS Investment Strategy

- i. The GIS is a vehicle for investing pooled short term cash balances belonging to ‘participants’, currently the Greater London Authority (GLA), the London Fire and Emergency Planning Authority (LFEPA), the London Legacy Development Corporation (LLDC), the London Pensions Fund Authority (LPFA) and the Mayor’s Office for Policing and Crime (GLA). The GLA acts as the Investment Manager under the supervision of the Syndics (the participants’ respective chief financial officers).
- ii. By pooling resources, the participants can achieve economies of scale through larger individual transactions; can exploit the greater stability of pooled cash flows to obtain better returns and can achieve greater levels of diversification.
- iii. A risk sharing agreement ensures risk and reward relating to each investment within the jointly controlled portfolio are shared in direct proportion to each participant’s daily investment.
- iv. The Investment manager (the GLA) operates the GIS cash balances in accordance with the GIS Investment Strategy

4.0

- i. Reporting thresholds are capped at £25m and £50m, these limits are conservative based on the expected scale of the GIS – based on the GIS composition as at 30 June the absolute exposure reporting thresholds for each participant would be:

£m	25	50
GLA	20.4	40.8
LFEPA	0.2	0.5
MOPAC	0.2	0.3
LPFA	2.8	5.7
LLDC	0.2	0.4

17.0

- i. The concept of “Specified” and “Non-Specified” Investments is defined in the DCLG Guidance on Local Government Investments (revised 2010).

Specified Investments

- ii. An investment is a Specified investment if all of the following apply:
 - a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
 - b) The investment is not a long-term investment (i.e. due or required to be repaid within 12 months);

- c) The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 3146 as amended) (i.e. the investment is not share capital in a body corporate)
- d) The investment is made with a body or in an investment scheme of high credit quality (defined by the minimum credit ratings outlined in table 17.0) or with one of the following public-sector bodies:
 - The United Kingdom Government
 - A local authority in England or Wales (as defined in section 23 of the 2003 Local Government Act) or a similar body in Scotland or Northern Ireland
 - A parish council or community

Non Specified Investments

- iii. Non-Specified Investments are defined as investments assessed by the GIS Participants to be appropriate and prudent, but not meeting the one or more of the Specified Investments criteria.

New instruments introduced since previous strategy

- iv. Reflecting increased market risk and difficulties in diversifying, this strategy introduces the new and highly secure option of UK Residential Mortgage Backed Securities, which provides a genuine diversification away from institutional credit risk and additional options for secured lending, enabling limits to be increased with existing counterparties in exchange for security of some sort of asset in the event of the borrower becoming insolvent.
- v. RMBS

- Since the approval of the GIS Participants' Treasury Strategies, which all set out the rationale for senior UK Prime and Buy to Let RMBS, the GLA has appointed two managers to manage £100m each of GLA core cash in this asset class.

Almost half of the investments were made prior to the market turbulence following the EU referendum, enabling the GLA to reduce its exposure to banks; additionally, this action has provided an excellent market test of extreme conditions for the asset class. Unlike a number of banks and the UK itself, the ratings of UK RMBS were untouched by the negative market perception of the UK's actions and liquidity in the asset class was no worse than any other within the current investment strategy. Yield remains higher than other available options.

- 15 UK Banks and Building Societies have over £100bn of AAA-rated RMBS outstanding, via bankruptcy-remote issuing companies, which ensures full credit de-linkage
- This report therefore recommends inclusion of UK RMBS in the GIS subject to the limits proposed and the overall GIS WAM limit, in order to reduce risk and improve returns. The 20% limit reflects the fact that the GIS currently has a 91 day WAM limit and most of these instruments will have a WAM > 1 year.

- Only senior RMBS are permitted at this stage, i.e. the GIS has first priority over the cash flows from the underlying pools of thousands of diversified UK residential prime or buy-to-let mortgages. These to date have always been AAA rated at inception with some isolated cases of downgrades to AA+ due to lower ratings of associated counterparties within the RMBS structure such as the bank servicing the mortgages, rather than the underlying mortgages, reflecting the increased risk of possible payment disruption should the servicing bank fail (though no increased risk of non-payment). The strategy does not exclude these downgraded senior notes as the risk of loss is still very low but it should be noted that changes to RMBS structures since 2008 make this circumstance very unlikely in future.
- The cash flows from RMBS are generated by both interest and principal repayments of the mortgages in the relevant pool. In particular, when homeowners refinance (or move house) the pool experiences principal inflows, which are then passed through to the RMBS bondholders (which the most senior tranches, proposed here, receive before all others). Refinancing typically occurs much earlier than the final date of the mortgage, therefore it is not proposed to limit the legal maturity of RMBS, as these are set with reference to the longest dated mortgage in the pool and do not reflect the expected maturity date. In addition, RMBS deals are structured with financial penalties for the issuer beyond the expected maturity date, to ensure that deals mature as expected.
- The strong cash flow characteristics of senior RMBS mean that principal is repaid incrementally, therefore a proposed WAM limit of 3 years per security for the whole RMBS portfolio is proposed alongside a 5 year expected final maturity limit per security.

vi. Covered Bonds

- Covered bonds are also secured on mortgage assets, but do not depend on mortgages for the cash flows. They are more like a normal bond issued by the relevant bank or building society except that should the issuer default, the covered bond holders will have security over the banks' mortgage assets, which could be sold to another bank to meet the obligation.
- Whilst the credit risk is clearly lower than unsecured lending to the issuer, the situation is different to RMBS and when the issuer is downgraded, covered bonds are typically downgraded too. Accordingly, the strategy does not permit the use of covered bonds issued by counterparties who do not themselves meet approved investment criteria.
- Another feature of covered bonds are extension clauses, typically of 2 years. For this reason, the strategy only permits the use of counterparties of A- rating or above to allow for downgrades over the extension period, should it be invoked.
- Because they are lower risk than unsecured lending to a given counterparty, covered bond yields are generally lower. Accordingly, the main circumstance in which they would be used in the current environment is to increase exposure to a strong and well understood counterparty already at its unsecured concentration limit.

vii. Repurchase Agreements "Repos"

- Repos are a form of secured lending whereby rather than lend directly to a counterparty, the GIS would buy from them a security e.g. a bond and agree to sell it back at an agreed (higher) price at a future date. The profit on this transaction replaces interest in a normal lending agreement but there is the additional feature that if the borrower becomes insolvent, the GIS may keep the security, which is referred to as collateral.
- For this reason, only securities that meet GIS criteria may be accepted as collateral, however the duration limits of 21.0 and 20.0 do not apply since the expectation is that the collateral will be disposed of at the first opportunity and over-collateralisation provides mitigation for any price movement.
- Furthermore, if such a default occurred, the GIS may need to sell the collateral for cash flow reasons so there may be some price risk between the default and the sale. Therefore, minimum levels of collateral, expressed as a percentage of the market value of collateral relative to the purchase price, are proposed.
- The strategy permits very limited repo exposure (2.5% and 10% in aggregate) to counterparties not meeting unsecured investment criteria. In this case, minimum collateral is set at 102% (in line with minimum standards for repo use by AAA rated money market funds) and the provision is designed to enable transactions with pension funds engaged in liability hedging activities, to mutual advantage.
- There are a number of ways to implement a repo. This is delegated to officers and their advisors or external managers, however per 46.0, legal title to the collateral must be unequivocally obtained and safe custody arrangements be in place.
- Repos will provide a further tool for balancing GIS risk and return: the risk is very much lower than unsecured lending to banks and others, although not as low as T-bills, however repo returns are slightly higher than T-Bills and there is more flexibility with maturity dates.

20.0

- i. For the purposes of this limit, WAM is the sum of each expected nominal cashflow and its respective expected incidence in days from the calculation date, divided by the total nominal cashflows; the use of expectations rather than contractual maturities reflects the use of instruments like RMBS which are subject to uncertain repayments. The Syndics place reliance on the systems and investment process of appointed managers to monitor and implement this limit.

28.0

- i. Credit Default Swaps (CDS) are effectively insurance contracts against a given counterparty defaulting; their price (typically expressed as an additional interest cost or 'spread' in basis points – i.e. 100ths of one percent). Higher prices may therefore reflect greater market perception of risk, although other supply and demand factors can distort this, including the

activity of speculators. For this reason, the CIO has discretion to propose postponements to the impact of CDS data on limits.

- ii. Although the GIS typically participates in short term investments, it refers to 5 year CDS prices as this market has higher volumes of trading and therefore more accurately reflects market sentiment.
- iii. The GIS's advisor and data provider, Capita, proposes barrier levels dependent on market conditions as indicated by one of the main CDS indices, ITRAXX 5 year senior financials.
- iv. When the ITRAXX is below 100 basis points, a counterparty's limit band will be adjusted down one notch if their CDS price is between 100 and 150 or to 'no colour' if above 150
- v. When the ITRAXX is above 100, a counterparty's limit band will be adjusted down one notch if their CDS price between 1 and 50 basis points above the ITRAXX or to 'no colour' if more than 50 basis points above.

38.0

- i. Book value weighted average here means the sum of the products of principal sums invested (plus any capitalised interest, less any impairments or partial repayments but excluding any accrued interest or unrealised gains or losses) and the respective Credit Factors at the date of calculation, divided by the sum of principal sums invested (plus any capitalised interest, less any impairments or partial repayments but excluding any accrued interest or unrealised gains or losses)

49.0

- i. In the absence of the CIO, the senior member of the Group Treasury team present should assume responsibility for reviewing circumstances where discretion might be used, and make appropriate recommendations to the CFO or deputy, who will decide whether to exercise their powers under this strategy.

Approved by Signatories:

MARTIN CLARKE

Syndic, GLA

Date:

SUE BUDDEN

Syndic, LFEPA

Date:

GERRY MURPHY

Syndic, LLDC

Date:

SIOBHAN PETERS

Syndic, MOPAC

Date:

DAVID GALLIE

Syndic, LPFA

Date:

Appendix 6: Treasury Management Practices: Main Principles

1.0 INTRODUCTION

- 1.1 The Treasury Management Practices (TMPs): Main Principles below set out the manner in which the Authority will seek to achieve its Treasury policies and objectives. These TMPs: Main Principles follow the wording recommended by the latest edition of the CIPFA Treasury Management Code.
- 1.2 TMPs: Main Principles are supported by TMPs: Schedules, which provide specific details of the systems and routines employed and the records to be maintained to deliver the TMPs: Main Principles. These Schedules are maintained and updated as necessary, being operational procedures and forming an integral part of the Authority's treasury management manual.
- 1.3 Approval and monitoring of TMPs is a matter for local decision. As such the TMPs: Principles will be approved by the Authority and monitored by the Executive Director of Resources and annually reviewed by the Authority before the start of the year.
- 1.4 TMPs: Schedules will be approved, monitored and annually reviewed by the Executive Director of Resources.
- 1.5 Scrutiny of the approval and monitoring of TMPs will be performed by the Budget and Performance Committee following recommendations by the Executive Director of Resources.

2.0 TMP1 RISK MANAGEMENT

2.1 General statement

- 2.1.1 The Executive Director of Resources will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Authority's objectives in this respect, all in accordance with the procedures set out in TMP6 'Reporting requirements and management information arrangements'.
- 2.1.2 In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the TMPs: Schedules.

2.2 Credit and counterparty risk management

- 2.2.1 The Executive Director of Resources regards a key objective of the Authority's treasury management activities to be the security of the principal sums it invests. Accordingly, he/she will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit investment activities to the instruments, methods and techniques referred to in the TMP4 Approved instruments, methods and techniques and listed in the TMPs: Schedules. The Executive Director of Resources also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which the Authority may borrow, or with whom it may enter into other financing arrangements.

2.3 Liquidity risk management

- 2.3.1 The Executive Director of Resources will ensure the Authority has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business /service objectives.
- 2.3.2 The Executive Director of Resources will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

2.4 Interest rate risk management

- 2.4.1 The Executive Director of Resources will manage Authority exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 'Reporting requirements and management information arrangements'.
- 2.4.2 The Executive Director of Resources will achieve this by the prudent use of Authority approved instruments, methods, and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

2.5 Exchange rate risk management

- 2.5.1 The Executive Director of Resources will manage its exposure to fluctuations in exchange rates, so as to minimise any detrimental impact on its budgeted income/expenditure levels.

2.6 Refinancing risk management

- 2.6.1 The Executive Director of Resources will ensure that Authority borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Authority as can reasonably be achieved in the light of market conditions prevailing at the time.
- 2.6.2 The Executive Director of Resources will actively manage Authority relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

2.7 Legal and regulatory risk management

- 2.7.1 The Executive Director of Resources will ensure that all Authority treasury management activities comply with statutory powers and regulatory requirements. He/She will demonstrate such compliance, if required to do so, to all parties with whom the Authority deals in such activities. In framing its credit and counterparty policy under TMP[1] 'credit and counterparty risk management', he/she will ensure that there is evidence of

counterparties' powers, authority and compliance in respect of the transactions they may effect with the Authority, particularly with regard to duty of care and fees charged.

- 2.7.2 The Executive Director of Resources recognises that future legislative or regulatory changes may impact on treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Authority.

2.8 Fraud, error and corruption, and contingency management

- 2.8.1 The Executive Director of Resources will ensure that he/she has identified the circumstances which may expose the Authority to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, he/she will maintain effective contingency management arrangements, to these ends.

2.9 Market risk management

- 2.9.1 The Executive Director of Resources will seek to ensure that the Authority's stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect the Authority from the effects of such fluctuations.

3.0 TMP2 PERFORMANCE MEASUREMENT

- 3.1 The Executive Director of Resources is committed to the pursuit of value for money in the Authority's treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in the Authority's treasury management policy statement.
- 3.2 Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the TMPs: Schedules.

4.0 TMP3 DECISION-MAKING AND ANALYSIS

- 4.1 The Executive Director of Resources will maintain full records of Authority treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching these decisions are detailed in the TMPs: Schedules.

5.0 TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 5.1 The Executive Director of Resources will undertake Authority treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 'Risk management'.

6.0 TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 6.1 The Executive Director of Resources considers it essential, for the purposes of the effective control and monitoring of the Authority's treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 6.2 The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.
- 6.3 If and when the Authority intends, as a result of lack of resources or other circumstances, to depart from these principles, the Executive Director of Resources will ensure that the reasons are properly reported in accordance with TMP6 'Reporting requirements and management information arrangements', and the implications properly considered and evaluated.
- 6.4 The Executive Director of Resources will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Executive Director of Resources will also ensure that at all times those engaged in treasury management will follow the policies and procedures. The present arrangements are detailed in the TMPs: Schedules.
- 6.5 The Executive Director of Resources will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the TMPs: Schedules
- 6.6 The delegations to the Executive Director of Resources in respect of treasury management are set out in the TMPs: Schedules. The Executive Director of Resources will fulfil all such responsibilities in accordance with the Authority's policy statement and TMPs and if a CIPFA member, the 'Standard of Professional Practice on Treasury Management'.

7.0 TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS.

- 7.1 The Executive Director of Resources will ensure that regular reports are prepared and considered on the implementation of Authority treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.
- 7.2 As a minimum:
- The Authority will receive
- an annual report on the proposed strategy and plan to be pursued in the coming year

- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

7.3 The GLA Audit Panel, as the body with responsibility for the scrutiny of treasury management policies and practices, will receive regular monitoring reports on treasury management activities and risks.

7.4 The GLA Audit Panel responsible for scrutiny, such as an audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

7.5 Local authorities should report the treasury management indicators as detailed in their sector-specific guidance notes.

7.6 The present arrangements and the form of these reports are detailed in the TMPs: Schedules.

8.0 TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

8.1 The Executive Director of Resources will prepare, and the Authority will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 'Risk management', TMP2 'Performance measurement', and TMP4 'Approved instruments, methods and techniques'.

8.2 The Executive Director of Resources will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 'Reporting requirements and management information arrangements'.

8.3 The Executive Director of Resources will account for the Authority's treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory requirements in force for the time being.

9.0 TMP8 CASH AND CASH FLOW MANAGEMENT

9.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this Authority will be under the control of the Executive Director of Resources, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Executive Director of Resources will ensure that these are adequate for the purposes of monitoring compliance with TMP1 (1.3) 'Liquidity risk management'. The present arrangements for preparing cash flow projections, and their form are set out in the TMPs: Schedules.

10.0 TMP9 MONEY LAUNDERING

- 10.1 The Executive Director of Resources is alert to the possibility that the Authority may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the TMPs: Schedules.

11.0 TMP10 TRAINING AND QUALIFICATIONS

- 11.1 The Executive Director of Resources recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. He/She will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Executive Director of Resources will recommend and implement the necessary arrangements.
- 11.2 The Executive Director of Resources will ensure that Authority members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 11.3 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 11.4 The present arrangements are detailed in the TMPs: Schedules.

12.0 TMP11 USE OF EXTERNAL SERVICE PROVIDERS

- 12.1 The Authority recognises that responsibility for the treasury management decisions remains with the Authority at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Executive Director of Resources, and details of the current arrangements are set out in the TMPs: Schedules.

13.0 TMP12 CORPORATE GOVERNANCE

- 13.1 The Authority is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principals and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 13.2 This Authority has adopted and implemented the key principles of the TM Code. This, together with the other arrangements detailed in the TMPs; Schedules, are considered vital to the achievement of proper corporate governance in treasury management, and the

Executive Director of Resources will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Appendix 7: Treasury Management Outturn position for 2015-16 and mid-year position for 2016-17

1. Summary Portfolio Position

Current Treasury Management Position	Actual as at 31 March 2015		Actual as at 31 March 2016		Actual as at 30 September 2016	
	£m	Av. Rate	£m	Av. Rate	£m	Av. Rate
External Borrowing						
Long Term Borrowing	3,563.25	3.50%	3,595.38	3.50%	3,686.38	3.43%
Short Term Borrowing	35.00	0.75%	112.00	0.57%	116.00	0.60%
Total External Borrowing (A)	3,598.25		3,707.38		3,802.38	
Other Long Term Liabilities						
PFI Liability	0.00		0.00		0.00	
Finance Lease Liability	0.00		0.00		0.00	
Total Other Long Term Liabilities (B)	0.00		0.00		0.00	
Total Gross Debt (A+B)	3,598.25		3,707.38		3,802.38	
Capital Financing Requirement*	3,630.12		3,619.18		3,678.50	
Less Other Long Term Liabilities	0.00		0.00		0.00	
Underlying Capital Borrowing Requirement (C)	3,630.12		3,619.18		3,678.50	
Under/(Over) Borrowing (C-A)	31.87		-88.20		-123.88	
Investments (D)	998.95	0.72%	1,752.59	0.72%	1,648.57	0.69%
Net Borrowing/(Investments) (A-D)	2,599.30		1,954.79		2,153.81	

2. Treasury Management Budget

	2015-16 Opening Estimate £m	2015-16 Year End Actual £m	Variance between Opening Estimate and Year end Actual £m	2016-17 Opening Estimate £m	2016-17 Actual as at 30.9.15 £m	2016-17 Revised Estimate £m	Variance between Opening Estimate and Revised Estimate £m
PWLB Interest payable	125.10	125.51	0.41	125.10	63.30	126.46	1.36
Interest receivable	-8.30	-9.97	-1.67	-8.00	-6.05	-8.76	-0.76
Minimum Revenue Provision & Vol Revenue Provision	101.10	101.10	0.00	101.10	19.00	101.10	0.00
Total	217.90	216.64	-1.26	218.20	76.25	218.80	0.60

3. Prudential Code Indicators and Treasury Management Limits

i) Capital Financing Requirement

	2015-16 Original Estimate £m	2015-16 Year End Actual £m	2015-16 Variance between Original Estimate and Year End Actual £m	2016-17 Original Estimate £m	2016-17 Revised Estimate £m	2016-17 Variance between Original Estimate and Revised Estimate £m
Total CFR	3,464.40	3,619.10	154.70	3,764.00	3,678.50	(85.50)

ii) Authorised Limit for External Debt

	2015-16 Final Authorised Limit £m	2015-16 Actual External Debt £m	Headroom £m	2016-17 Original Authorised Limit £m	2016-17 Actual External Debt As At 30.09.15 £m	Headroom £m	2016-17 Revised Authorised Limit £m
Borrowing	4,600.00	3,707.38	892.62	4,800.00	3,802.38	997.62	4,800.00
Other long term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	4,600.00	3,707.38	892.62	4,800.00	3,802.38	997.62	4,800.00

iii) Operational Boundary for External Debt

	2015-16 Final Operational Boundary £m	2015-16 Actual External Debt £m	Headroom £m	2016-17 Original Operational Boundary £m	2016-17 Actual External Debt As At 30.09.15 £m	Headroom £m	2016-17 Revised Operational Boundary £m
Borrowing	4,290.00	3,707.38	582.62	4,300.00	3,802.38	497.62	4,300.00
Other long term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	4,290.00	3,707.38	582.62	4,300.00	3,802.38	497.62	4,300.00

iv) Net Borrowing Upper Limits to Fixed and Variable Interest Rate Exposure

	Opening 2015-16	As at 31.03.16	Opening 2016-17	As at 30.09.16
	%	%	%	%
Fixed rate	100.00	189.66	100.00	167.26
Variable rate	20.00	-89.66	0.00	-67.26

NB: when the limits were set they were set on the basis of Gross debt, whilst the definition of the indicator refers to net debt. All current long term debt is on a fixed rate basis whilst by definition investments will be variable as they are set for less than one year. The use of the net indicator therefore logically will always result in a fixed rate upper limit in excess of 100%.

v) Limits for Maturity Structure of Borrowing

			Upper Limit	Lower Limit	As at 31.03.2016
			%	%	%
Under 12 months			100.00	0.00	4.07
12 months and within 24 months			100.00	0.00	1.83
24 months and within 5 years			100.00	0.00	9.58
5 years and within 10 years			100.00	0.00	25.43
10 years and above			100.00	0.00	59.09

4. Crossrail Monitoring

	Totals as at		
	31/03/2016 £m	30/09/2016 £m	31/03/2017 £m
Total borrowing of project	3,251.25	3,226.25	3,138.00
In year interest paid	118.30	58.20	116.35
In year interest receivable	0.12	0.06	0.13
Net in year interest paid	118.18	58.14	116.22
In year BRS receipts	218.30	106.80	219.00
In year payments to TfL	-	-	-

5. NLE Monitoring

	Totals as at		
	31/03/2016 £m	30/09/2016 £m	31/03/2017 £m
Total borrowing of project	201.10	321.10	321.10
In year interest paid	0.38	-	2.10
In year interest receivable	- 0.71	- 0.40	- 0.68
Net in year interest paid	- 0.33	0.40	1.42
In year payments to TfL	121.00	76.30	160.50

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Report for: Overview and Scrutiny Committee – 17 July 2017

Item number:

Title: Scrutiny Review on Fear of Crime

Report

authorised by: Cllr Gallagher, Chair of Environment and Community Safety
Scrutiny Panel

Lead Officer: Robert Mack, 020 8489 2921 rob.mack@haringey.gov.uk

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 Under the agreed terms of reference, the Overview and Scrutiny Committee (OSC) can assist the Council and the Cabinet in its budgetary and policy framework through conducting in-depth analysis of local policy issues and can make recommendations for service development or improvement. The Committee may:
- (a) Review the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
 - (b) Conduct research to assist in specific investigations. This may involve surveys, focus groups, public meetings and/or site visits;
 - (c) Make reports and recommendations, on issues affecting the authority's area, or its inhabitants, to Full Council, its Committees or Sub-Committees, the Executive, or to other appropriate external bodies.
- 1.2 In this context, the Overview and Scrutiny Committee on 17 October agreed to set up a review project to look at Fear of Crime.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1 That the Committee approve the report and its recommendations and that it be submitted to Cabinet for response.

4. Reasons for decision

- 4.1 The Committee is requested to agree the report and the recommendations within it so that it may be submitted to the Overview and Scrutiny Committee for approval.

5. Alternative options considered

- 5.1 The Panel could decide not to agree the report and its recommendations, which would mean that it could not be referred to the Overview and Scrutiny Committee for approval.

6. Background information

- 6.1 The rationale for the setting up of the review, including the scope and terms of reference, is outlined in paragraphs 1.1 to 1.5 of the report.

7. Contribution to strategic outcomes

- 7.1 This review relates to Corporate Plan Priority 3 This review relates to Priority 3 – “A clean, well maintained and safe borough where people are proud to live and work”
- 7.2 Objective 1: “To strengthen partnerships and together work with our communities to improve their environment, enable people to feel safe and proud of where they live and work, particularly through reducing anti social behavioural and environmental crime.” The outcome indicator is fear of crime i.e. “To what extent are you worried about crime in the area?”.

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

Finance and Procurement

- 8.1 Where there are financial implications of implementing the recommendations within this report, it is important that the recommendations are fully costed and a funding source identified before they can be agreed. If the recommendation requires funding beyond existing budgets or available external funding, then Cabinet will need to agree the additional funding before any proposed action can proceed.

Legal

- 8.2 Under Section 9F Local Government Act 2000 (“The Act”), Overview and Scrutiny Committee have the powers to review or scrutinise decisions made or other action taken in connection with the discharge of any executive and non-executive functions and to make reports or recommendations to the executive or to the authority with respect to the discharge of those functions. Overview and Scrutiny Committee also have the powers to make reports or recommendations to the executive or to the authority on matters which affect the authority’s area or the inhabitants of its area. Under Section 9FA of the Act, Overview and Scrutiny Committee has the power to appoint a sub-committee to assist with the discharge of its scrutiny functions. Such sub-committee may not discharge any functions other than those conferred on it.
- 8.3 Pursuant to the above provisions, Overview and Scrutiny Committee has establish Scrutiny Review Panels of which include Environment and Community

Safety Scrutiny Panel to discharge on its behalf defined scrutiny functions. On the request from Overview and Scrutiny Committee, Environment and Community Safety Scrutiny Panel has undertaken a review of the fear of crime. In accordance with the Council's Constitution, the Panel must refer the outcome of its review to Overview and Scrutiny Committee for consideration and approval.

- 8.4 The remit of the Scrutiny Panel's review is defined in the terms of reference set out in Paragraph 1.2 of the review report. The Scrutiny Panel should keep to the terms of reference and ensure that its findings and recommendations are based on good evidence, accord with good practice and are reasonable and rational.

Equality

- 8.5 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 8.6 The Panel has aimed to consider these duties within this review and, in particular;
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to services and fair representation of all groups within Haringey;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

9. Use of Appendices

Appendix A: Draft report of Scrutiny Review on Fear of Crime.

10. Local Government (Access to Information) Act 1985

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Scrutiny Review: Fear of Crime

A Review by the Environment and Community Safety Scrutiny Panel

2016/17

Panel Membership	Cllr Makbule Gunes (Chair)
	Cllr Barbara Blake
	Cllr Bob Hare
	Cllr Clive Carter
	Cllr Stephen Mann
	Cllr Anne Stennett
	Mr I Sygrave (Co-opted Member)

Support Officer: Robert Mack, Principal Scrutiny Support Officer
Rob.mack@haringey.gov.uk
0208 489 2921

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2. Introduction	7.
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Chairs Foreword

Crime can have profound effects on local communities. These are not confined just to people directly involved, such as victims and witnesses. It can make others fearful and anxious and also have implications for their health, well-being and quality of life. It is a source of concern that Haringey residents have some of the highest levels of fear about crime amongst London boroughs. These levels are higher than many boroughs with similar characteristics to Haringey but with higher levels of recorded crime.

Successful action to address the crimes that cause the most concerns to local communities should help reduce fear of crime. However, it can be difficult to counter negative publicity, particularly that generated by serious incidents. Communities do not necessarily respond in a uniform way to community safety issues though and specific interventions to reduce fear of crime therefore need to be sensitive to local conditions. Conversely, there is also evidence to show that some of the groups of people with the highest levels of anxiety are amongst those with the lowest level of risk of becoming victims of crime.

A range of actions have been suggested as having the potential to reduce fear of crime but further clarity is still needed on which ones have the potential to be most successful. Evidence from other London boroughs provides no clear patterns on what works and local initiatives in Haringey that were expected to address fear of crime – such as the Team Noel Park pilot – have not always delivered all of the benefits that it was thought they might. The Panel were nevertheless convinced that the extension of licensing for privately rented accommodation, as has been undertaken by a number of other London boroughs, could play a useful role in addressing anti social behaviour.

Neighbourhood Watches can play a useful role in improving communication between residents and the Police but there are challenges in establishing them in some parts of the borough. Finding suitable accommodation to meet is one of these but this could potentially be resolved where it is an issue by the use of very modest amounts of funding from ward budgets.

Our survey provided us with some useful feedback from residents. Of particular relevance were the views that were given on things that can cause anxiety as well as what would make people feel safer. The concerns raised about speeding cars had not been anticipated and should be looked at by the Overview and Scrutiny in more detail. We had also not anticipated that improved street lighting would be raised by so many of the people who responded as something that would make them feel safer and feel that community safety issues should be taken into account in deciding which streets have their lighting upgraded first.

Finally, it should be emphasised that fear of crime is a hugely complex issue and that there are no easy or obvious answers. However, it is crucial to the quality of life of residents that they are able to feel safe and is therefore an issue that deserves a higher level of priority by the Council and its partners.



Councillor Makbule Gunes
Chair

Recommendations:

1. That reducing fear of crime be set as a separate priority by the Community Safety Partnership in the new Community Safety Strategy for the borough.
2. That action plans that may be developed by the Community Safety Partnership to reduce fear of crime be adaptable to local conditions and concerns and include targeted work with sections of the community who are disproportionately affected by it.
3. That, in developing the above-mentioned action plan, further work be undertaken to identify effective interventions, including reference to the outcomes of work by Victim Support on the link between anti social behaviour and fear of crime.
4. That action to improve communication and engagement with the community on crime and community safety issues be set as an ongoing priority for the Community Safety Partnership.
5. That, where necessary, funding from ward budgets be used to assist with the establishment and sustainment of neighbourhood watches through provision for premises hire and refreshments.
6. That the proposed introduction of a borough wide additional licensing scheme to cover houses in multiple occupation and a selective scheme to initially cover 20% of the borough, with a view to extending it across the borough in due course, be strongly supported.
7. That, in view of their positive impact in combating fear of crime, issues relating to crime and community safety be taken into account when selecting which streets are prioritised for upgrading of street lighting.
8. That the Overview and Scrutiny Committee re-visit issues regarding betting shops and, in particular, how any anti social behaviour associated with them is addressed.
9. That a report be submitted to a future meeting of the Panel on progress since the implementation of the 20 mph speed limit in residential streets within the borough.

1. Background

1.1 As part of the work planning process for 2016/17, it was proposed that the Panel look in depth at fear of crime. This would consideration of the following issues:

- The Council's objectives and performance in respect of fear of crime, including how data is currently collected and proposals to improve its accuracy;
- The correlation between actual crime levels and fear of crime across the borough;
- Action that could be taken to reduce fear of crime and its effectiveness, including what has proven to be successful in similar local authority areas;
- The impact of visible efforts to reduce fear of crime and whether they provide reassurance; and
- How relevant information is communicated to the public.

Terms of Reference

1.2 It was agreed that the terms of reference would be as follows:

"To consider and make recommendations to the Council's Cabinet and/or the Haringey Community Safety Partnership on how action to reduce fear of crime might be improved so that it is more effective, better targeted and responsive to the concerns of all sections of the community."

Sources of Evidence:

1.3 Sources of evidence were:

- Research and data from a range of sources, including the Mayors Office for Policing and Crime (MOPAC);
- Interviews with officers from the Council, partner organisations and other local authorities;
- Responses to a survey of neighbourhood watches and resident associations undertaken as part of the review;
- Consultation responses from a range of young people within Haringey; and
- Performance information.

1.4 A full list of all those who provided evidence is attached as Appendix A.

Membership

1.5 The membership of the Panel was as follows:

Councillors: Makbule Gunes (Chair), Barbara Blake, Bob Hare, Clive Carter, Stephen Mann and Anne Stennett.

Co-opted Member: Ian Sygrave (Haringey Association of Neighbourhood Watches).

2. Introduction

- 2.1 Research has shown that fear of crime can have negative effects on both individuals and communities and these can sometimes be disproportionate to the level of threat. In particular, fear of crime can erode both individual well being and community cohesion. The anxiety caused can also have a detrimental effect on quality of life and make people more susceptible to becoming a victim. Research commissioned by Age Concern in 2016 showed that it can be associated with low quality of life, limited mobility and poor health status amongst older people.

Causes and Influences

- 2.2 The causes and influences on fear of crime are complex. Actual levels of crime have a clear and obvious impact and media coverage of specific high profile incidents can generate additional anxiety. However, the Panel heard that the relationship between actual levels of crime and fear of crime is not straightforward.
- 2.3 Visible signs of neglect in an area are thought to generate fear. Litter, vandalism and poor lighting can lead to a perception by residents of withdrawal of resources. The “broken windows” criminological theory suggests that the appearance of neglect can attract low level disorder and that this can escalate if not tackled. Offenders from elsewhere will be attracted in, leading to more serious disorder and crime and residents will become increasingly more fearful and worried about crime. The theory has been subject to challenge but is still widely accepted and the basis for much policy in this area.
- 2.4 There is an criminological theory, linked to “broken windows”, that certain types of crime or disorderly behaviour - referred to as “signal crimes” - have a disproportionate impact upon fear of crime. Strong signals result from incidents that are of sufficient seriousness to generate a significant degree of public awareness. However, continued exposure to a succession of weaker signals can also have a significant effect.
- 2.5 The concept of “signal crimes” does not assume that everyone will interpret signals in the same way. Social class, age, gender, ethnicity, previous victimisation and lifestyle may influence how people respond. For example, fear of sexual assault may cause particular anxiety to women whilst for men physical assault may be a greater source of fear.
- 2.6 In addition, what may be interpreted as a “signal crime” by the residents in one area may not necessarily be regarded in the same way by the residents of a different area. For example, graffiti may be seen by residents as an indicator of emerging problems in a comparatively affluent neighbourhood whilst in a more deprived neighbourhood, where more serious incidents (e.g. gang related/gun crime) take place on a regular basis, additional graffiti may be less of an issue.

Confidence

- 2.7 Confidence can be linked to fear of crime and relates specifically to how good a job people think the Police are doing. Research has shown that those individuals who are confident that the police do a good job are more likely to:
- Report victimisation;
 - Come forward with information to assist cases;
 - Cooperate with the police; and
 - Obey the law.
- 2.8 The four key drivers of confidence, according to the model that is used by the Metropolitan Police Service (MPS), are the following:
- Effectiveness in dealing with crime;
 - Engagement with the community;
 - Fair treatment; and
 - Alleviating local anti social behaviour.
- 2.9 Although fear of crime is regarded as a driver of confidence, it is not considered to be a major one. Research undertaken by the MPS shows the following:
- Women are more fearful than men;
 - Older people are more fearful than younger people;
 - Fear of crime is higher for low income and education groups;
 - Minority ethnic groups are more fearful than white people;
 - Those living in inner city areas more fearful; and
 - Perceived physical and social disorder in the local community can increase fear.
- 2.10 There is evidence that some sections of the community have disproportionate levels of concern about crime. Evidence from the MOPAC suggests that older people and people from some black and minority ethnic communities may have higher levels of anxiety. The “Britain Think” survey that was undertaken by the Council in 2014 also showed a significantly higher percentage of people over the age of 55 felt unsafe going out after dark. Higher levels of concern about anti social behaviour were also reported amongst people describing themselves as Asian or Asian/British. Ironically, both of these groups are at a comparatively low level of risk of becoming victims of crime.

Understanding Fear of Crime

- 2.11 The Panel received evidence from Molly Blackburn, national lead for anti social behaviour for Victim Support, on their work to develop a better understanding of fear of crime. She stated that the response of local communities to community safety issues was not uniform. There could be a split between areas with high levels of reporting and complaints and areas

with lower levels of reporting but a higher proportion of serious issues. Some areas with high crime rates had relatively low levels of anxiety whilst quieter suburban areas with lower crime rates had higher levels. This could lead to resources not being used in a way that was proportionate to the severity of incidents.

- 2.12 She stated that a significant percentage of crime went unreported. By the same token, minor issues could assume significance for some people and the resulting anxiety about crime could have a huge impact on their lives, affecting both their behaviour and their response to incidents. She felt that fear of crime was not just about what had happened but also about what might happen in the future. It can also make people more susceptible to becoming a victim by making them appear vulnerable.
- 2.13 The way in which local authorities promoted crime and community safety issues was very important. There was often insufficient time to put out positive news stories in relation to crime and community safety to counter negative publicity.
- 2.14 Anti social behaviour was of particular significance and Ms Blackburn reported that one in three people were affected by it to some extent. In dealing with it, there was a risk of criminalising the most socially excluded groups. There was a moral panic associated with anti social behaviour and talking about it could actually heighten levels of concern. Whilst there were real and genuine incidents, harm could also be caused that was not based on actual incidents.
- 2.15 Neighbourhood agreements, such as that developed by Oldham, could be developed to address high levels of anxiety regarding anti social behaviour. This involved monitoring what was actually happening on the ground. Incidents were tracked and scored and, from this, it was possible to put their severity into perspective. Young people were involved in this process and it was hoped this could break down any negative perceptions that there might be regarding them. As a result of the work that had been done in Oldham, the level of anti social behaviour had gone down and community cohesion increased.
- 2.16 Victim Support was looking at how it could work more effectively with both victims and perpetrators and it was hoped to develop recommendations on how practice could be improved. They were holding focus groups and speaking to a range of people to obtain their views. The engagement would look at the reasons for heightened levels of concern in some areas. It was envisaged that it would take around a year to complete the work.

3. Strategic Targets and Performance

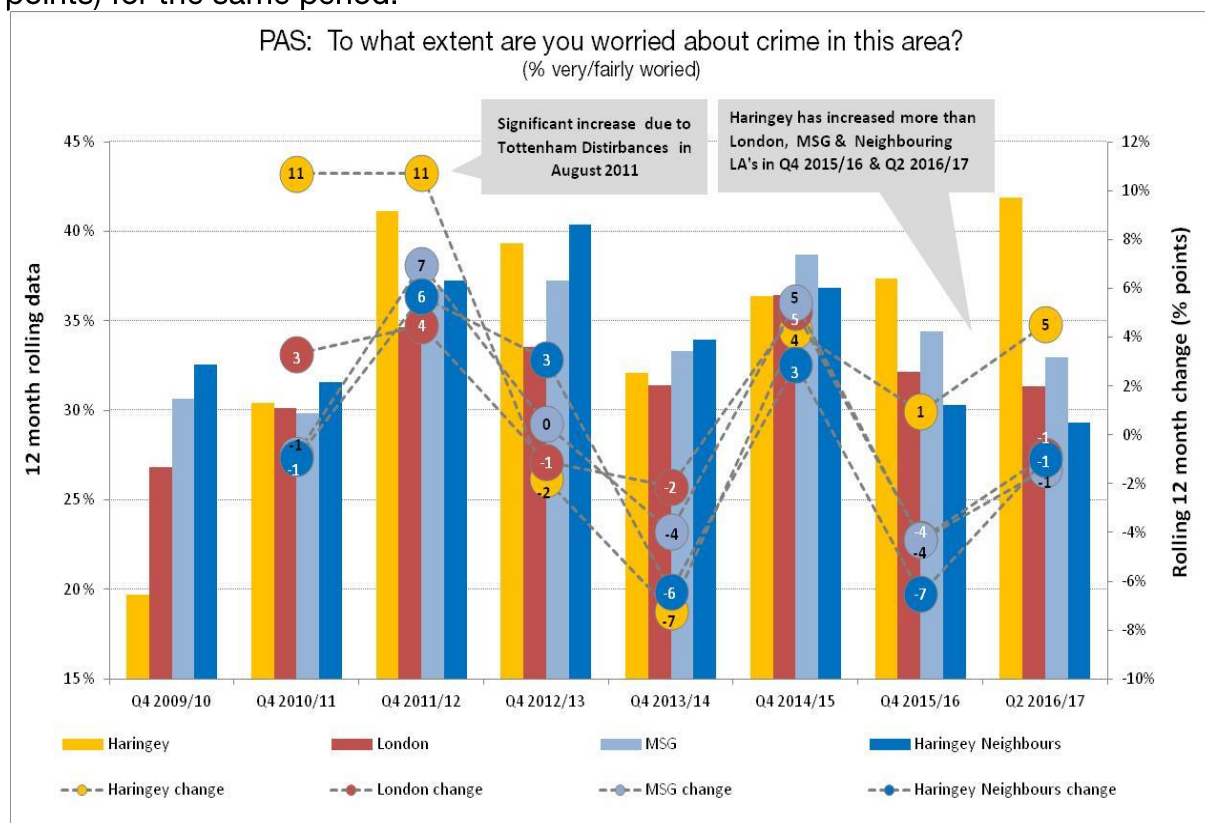
- 3.1 Priority 3 of the Council's Corporate Plan 2015-18 is: "A clean, well maintained and safe borough where people are proud to live and work". Objective one is; "To strengthen partnerships and together work with our communities to improve their environment, enable people to feel safe and proud of where they live and work, particularly through reducing anti social behavioural and environmental crime." The outcome indicator for this is fear of crime i.e. "To what extent are you worried about crime in the area?" (% very/fairly worried). The target is for levels across the borough to be down from 36% to 29% by 2018. The figure for quarter 2 of 2016/17 was 42%.
- 3.2 The indicator is measured using performance information is sourced from the Metropolitan Police Service Public Attitude Survey (PAS) quarterly report, which measures the attitude of Londoners towards policing and identifies priorities and experiences throughout the year. The most valid comparisons can be made with boroughs within Haringey's most similar group (MSG). These are boroughs that share similar social, economic and demographic characteristics. The statistics for Quarter 2 of 2016/17 are below. Alongside are statistics for volumes of reported crime. Boroughs that are part of Haringey's MSG are in bold.

% Worried about crime in this area (Q2 2016/17)	Very/fairly worried	Volume (Total Notifiable Offences) (Twelve Months to October 2016)
Enfield	47%	23,352
Ealing	42%	27,879
Haringey	42%	27,754
Hillingdon	40%	22,426
Redbridge	40%	20,330
Harrow	39%	13,573
Barnet	38%	25,717
Waltham Forest	38%	21,683
Hounslow	37%	22,763
Brent	36%	27,532
Croydon	36%	30,022
Barking and Dagenham	33%	17,843
Hackney	33%	28,578
Islington	33%	27,863
Merton	32%	13,240
Newham	32%	30,600
Havering	32%	17,428
Lewisham	30%	24,920
Bexley	29%	13,075
Greenwich	29%	23,269
Sutton	28%	10,832
Kingston upon Thames	27%	10,358
Lambeth	27%	35,578
Tower Hamlets	27%	30,180
Camden	26%	29,878

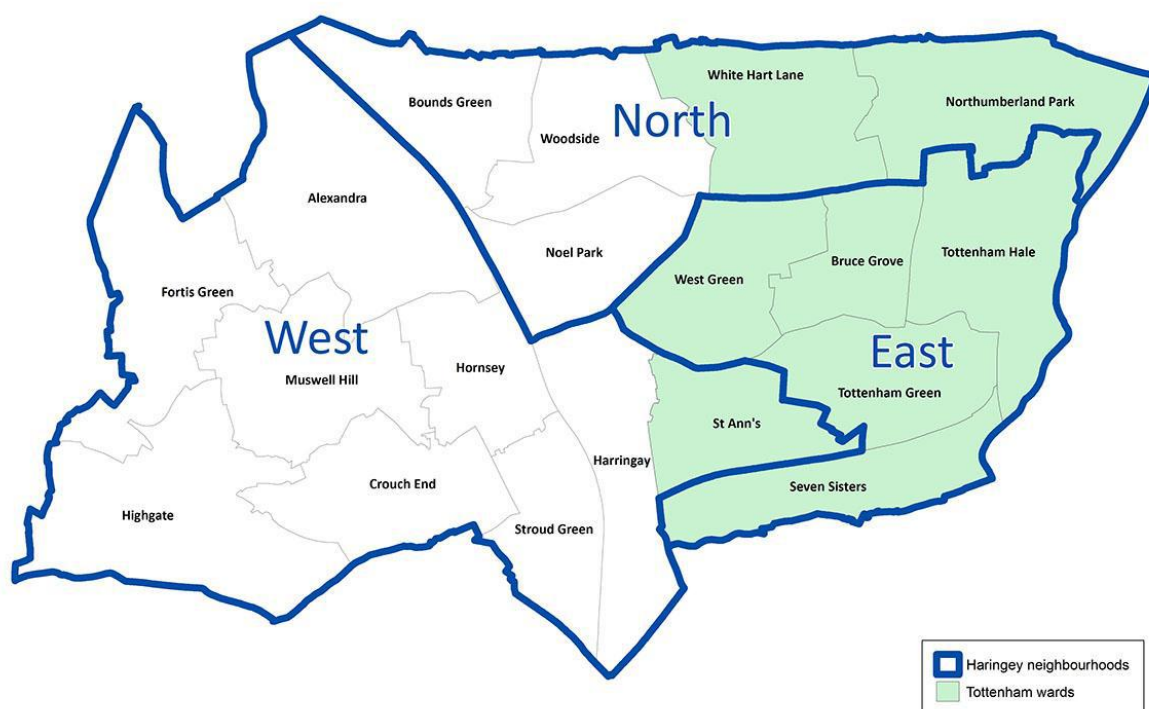
Bromley	23%	20,423
Richmond upon Thames	22%	11,291
Southwark	21%	32,524
Hammersmith and Fulham	18%	21,092
Westminster	18%	49,683
Wandsworth	16%	24,504
Kensington and Chelsea	14%	20,313
Total	31%	759,637

3.3 There is currently only one London borough that has a higher percentage of people than Haringey stating that they are either fairly or very worried about crime, although there are a few that have percentages that are close. Of particular note are the figures for Southwark and Lambeth, which are both in Haringey's MSG. These show higher levels of actual crime but levels of worry of crime that are considerably lower – 21% and 27% respectively. Conversely, some outer and predominantly suburban boroughs with significantly lower levels of reported crime than Haringey have broadly similar levels of worry about crime that are. For example, Harrow's figure is 39% despite crime levels that are less than half.

3.4 PAS data going back to quarter 4 of 2009/10 (12 months to March 2010) shows that the average annual “worry about crime” return in Haringey is 35%. This ranks 7th highest out of the 15 boroughs in our MSG. It shows an overall increase of 22% from 20% in March 2010 to the current level of 42% (September 2016). This increase is considerably greater than that for London (+4% points), our MSG (+2% points) and our neighbouring boroughs (-3% points) for the same period.



- 3.5 The highest increase was seen in the 12 months to March 2012 and is likely to be linked to the disturbances in the summer of 2011 and was replicated in most London boroughs. In that year, Haringey recorded an 11% point increase to 41%, which was greater than London, our MSG and neighbouring boroughs. The most recent figure for Haringey of 42% for quarter 2 of 2016/17 is the highest since 2009/10 and one percentage point above the annual return to March 2012. It is noticeable that many boroughs that experienced a spike in fear of crime following the 2011 disturbances have since reverted to previous levels but this has not happened in Haringey.
- 3.6 Borough wide fear of crime performance information sourced from PAS can be broken down into three separate neighbourhoods which are:
1. Haringey – North;
 2. Haringey – East; and
 3. Haringey - West.



- 3.7 Whilst these are not co-terminus with parliamentary constituency boundaries, the average of Haringey North and Haringey East is used as a Tottenham proxy indicator. The figures show that residents in the west of the borough are approximately 9% less worried (67% not very/not at all worried) about crime compared to the borough as a whole (58%).
- 3.8 The Haringey Community Safety Strategy 2013 – 2017 includes other targets that are of relevance to fear of crime. As part of action to improve confidence in the Police, it has the same target for decreasing worry about crime as the Corporate Plan (i.e. reducing it to 29% by 2018). As part of the action plan for 2016/17 it also includes the following targets:

- Increasing the percentage of people feeling safe at night in the Noel Park ward. The baseline for this was 55%, compared to a borough wide figure of 68%. Noel Park was selected as it is the longest standing high crime area. The Veolia Annual Residents Survey is used to measure this. Current figures (2016) in respect of these targets show the following:
 - Noel Park; 47% felt fairly or very safe at night;
 - Haringey; 65% felt fairly/very safe

3.9 The Team Noel Park pilot that was set up to address a number of issues in the ward, including this, is discussed in detail later on in this report.

Other Questions

3.10 In addition to fear of crime, there are a number of other questions on issues relating to the perception of crime and anti social behaviour in the PAS survey which are relevant, particularly as these relate to issues that can cause disproportionately high levels of concern. The responses from Haringey residents in respect of these for quarter 1 of 2016/17 were as follows:

3.11 These are the following:

Question	% Haringey	% MPS (i.e. London wide)
To what extent are you worried about ASB in the area? % worried (very/fairly)	24% very/fairly worried, - 2% from the previous quarter but +1% from the same quarter in 2015/16. Haringey has seen a trend of -3% since September 2015.	20% very/fairly worried, - 1% from the previous quarter and -4% from the same quarter in 2015/16.
To what extent do you think that gun crime is a problem in the area? % problem (major/minor)	21% major/minor problem, + 2% from the previous quarter and +5% from the same quarter in 2015/16. Gun discharges in Haringey offences rose by 3, from 10 to 13, in the year to September 2016	9% major/minor problem, +1% from the previous quarter but -2% from the same quarter in 2015/16.
To what extent do you think that gangs are a problem in the area? % problem (major/minor)	27% major/minor problem, unchanged from the previous quarter and from the same quarter in 2015/16. Haringey gang flagged offences fell by 57% from 164 to 71 in the	16% major/minor problem, -1% from the previous quarter and - 5% from the same quarter in 2015/16.

	year to September 2016.	
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- 3.12 These figures may indicate that ASB is not one of the stronger drivers of fear of crime in the borough and that concerns about gang and gun crime are more significant.

Limitations of Data

- 3.13 The Panel noted evidence from Claire Kowalska, Community Safety Strategic Manager, Commercial and Operations that although the number of respondents to the PAS survey is statistically significant and comes from a representative sample of households, it is limited in scope and involves comparatively few residents. She felt that there was a need to get a more accurate picture of the views of residents and, as part of this, consideration needed to be given to alternative ways of obtaining them.
- 3.14 Ms Kowalska reported that there are two surveys that are now hoped to provide an more accurate and inclusive snapshot of the views of residents:
- The annual Veolia Haringey Residents Survey of 1400 residents, which is done on a “one-to-one” basis;
 - A youth health survey, which would also include questions on issues of concern, such a community safety.
- 3.15 The Veolia survey of December 2015 provides some further information on the views of residents. Although its primary objective is to conduct a residents satisfaction survey about the services provided by the Council’s waste contractor Veolia, it also provides additional feedback on residents feelings about safety. It showed that 20% of people felt either fairly or very unsafe when outside in their area after dark. During the day, this figure was 3%.

Feedback from Young People

- 3.16 The Panel noted that Haringey Youth Council was re-constituted in 2016 and feedback from it provides a useful snapshot of the views of young people. At its first meeting, the young people present debated what they felt were the biggest concerns of young people in the borough. The top concern was considered to be crime and gangs. The Panel obtained further feedback from the Youth Council regarding this issue as follows:

What sort of things would make you feel safer in Haringey?

1. More visible Police presence but Police that are from Haringey and who have knowledge of local young people.
 2. Police Territorial Support Group officers to be less aggressive
 3. More street lights e.g. at the basket ball courts
- 3.17 Feedback relevant to this issue was also obtained from Aspire, who are Haringey’s Children in Care Council, by the Children and Young People’s

Scrutiny Panel as part of their review on Child Friendly Haringey. They stated that a lot of young people do not feel safe and are worried about gangs. Some are reluctant to travel to other areas of the borough away from where they live due to area based rivalries or “post code” issue. Officers also reported that the post code issue can affect the life chances of young people as they can be reticent to go to other areas for education or training.

- 3.18 The Youth Steering Group from the Markfield Project, a charity within the borough dedicated to bringing disabled and non disabled children and young people together, also provided some relevant feedback. Safety rated very highly in their priorities and it was also raised in respect of housing, with one young person stating that “Living in Broadwater Farm doesn’t feel safe.”
- 3.19 There was a mixture of views regarding the Police and whether they made them feel safer. One group did not feel the Police helped them feel safer. Two members of this group talked about their own personal experiences with the Police. They felt they could not trust the Police and that they needed to be better trained. The other group wanted safer streets and reduced crime and felt that more Police were needed on the streets. In addition, they wanted more Police ‘stop and search’ and officers outside their college.
- 3.20 The most recent Haringey Community Strategic Assessment gives some context for the concerns raised by young people. There were 319 victims of serious youth violence in the past 12-months, an increase of 5%. Haringey has the 5th highest volume of all London boroughs. Serious youth violence consists of a combination of robbery and violence, with victims aged 10 to 19. Gang members are becoming progressively younger, some now becoming involved between the ages of 10 to 13.

Panel Survey

- 3.21 The Panel commissioned an on-line survey that was distributed through neighbourhood watches and resident associations. The purpose of this was to try and find out more about the concerns of residents, its causes and what might help people feel safer. 129 responses were received, covering a range of different post codes across the borough. Whilst it was not necessarily representative of the borough as a whole, it provides a flavour of the opinion of residents.
- 3.22 12% of respondents stated that they felt either unsafe or very unsafe during the day. At night, this percentage increased to 45%. The figures were particularly high for those living in the N17 and N22 postcodes. Almost two thirds of people (64%) living in N17 felt either unsafe whilst the figure for N22 was 52%.
- 3.23 Aside from more Police officers on the street, there were a number of recurring themes from the responses regarding what was likely to make them feel safer. Of particular interest was the high percentage of people – 28% (37 respondents) – who identified improved street lighting as something that

would make them feel safer. In addition, several people raised issues relating to speeding traffic and groups congregating around betting shop entrances. Houses in multiple occupation and the lack of related enforcement was also referred to.

- 3.24 Feedback from the survey also revealed that the most common means of obtaining information about levels of crime through hearing about incidents from friends and neighbours, which 60% of respondents stated was their main source of evidence. Social media, the local press and people's own experience were also sources that were used by many. In practice, it is likely that people obtain their information from a range of sources.

4. Action to Address Fear of Crime

- 4.1 Although there is no action plan to specifically address fear of crime, there are a range of activities that are taken by the Council and its partners that are aimed to provide reassurance to residents and increase confidence. Much day-to-day Police activity is focussed on addressing the crimes that cause particular concern to residents, such as gangs and gun crime. Action is also taken by the Council and its partners to address anti social behaviour, which can also have a big impact of levels of fear/worry about crime.
- 4.2 The Panel noted evidence that, despite a lot of good enforcement work being undertaken in Haringey, there is often little publicity for it. Haringey tends to be a borough with a high media profile and incidents are often given a high level of prominence. Good quality engagement with the community can make a difference. For example, people who had been in contact with the Police had higher levels of confidence in them than others.

Community Safety Partnership

- 4.3 The Panel received evidence from Eubert Malcolm, Head of Community Safety and Regulatory Services on action being taken to improve confidence in order to achieve the targets set by the Community Safety Partnership. Although they are focussed on confidence, the actions are also intended to reduce fear/worry about crime.
- 4.4 An action plan had been developed to support this, linked to the previously mentioned MPS four drivers of public confidence i.e:
- Effectiveness in dealing with crime;
 - Engagement with the community;
 - Fair treatment; and
 - Alleviating local anti social behaviour.
- 4.5 The actions were focussed on a number of different issues, including the coverage of positive community safety messages, improving engagement and involvement and strengthening joint enforcement. Most of the actions were on track. Of particular note was the success of MetTrace in reducing burglaries. To date, 6,329 kits had been distributed, covering 65% of households in wards where it has been introduced. There were still 2,000 households to go though and the aim was to eventually cover 85% of households.
- 4.6 Schools had designed a spray on stencil to go on pavements outside of tube stations to warn people to be vigilant when using their mobile phones in order to reduce instances of them being snatched. In addition, it had been planned to set up a digital alert system but this was no longer proceeding. Action to develop a new enforcement page on the Council's website was continuing. There was also a specific Noel Park website which had been set up as part of the Team Noel Park pilot.

- 4.7 Specific action was taking place to improve engagement with the orthodox Jewish and Polish communities. A number of wards where there were currently low levels of confidence had also been chosen for specific initiatives. Engagement had taken place with 2,000 people so far.
- 4.8 The reconstituted Youth Council in Haringey would be used to drive engagement with young people. There was also a target of 160 police cadets by the end of the year. In addition, the Fire Service was undertaking home visits to priority people within the community to promote fire safety. 1920 visits had been made so far. The Community Safety Partnership was reviewing the Community Safety Strategy and a draft was due in October 2017. Fear of Crime was likely to be a priority within this.
- 4.9 The Panel noted that the Council currently paid for six Police officers under an agreement under Section 92 of the Police Act 1996. This means that match funding is provided by the Metropolitan Police, meaning that the Council only pays 50% of the cost. The additional officers are deployed to address priorities set by the Council. However, there are now 20 fewer Police officers for the borough overall than were in 2010 due to Police budget reductions.
- 4.10 The Panel also received evidence from Chief Inspector Veronica Morrell from Haringey Police. She reported that the response to the issue of fear of crime tended to focus on the need to put more Police officers on the street. This would not necessarily reduce crime but the issue was more concerned with how people felt.
- 4.11 Improving confidence and addressing mistrust were priorities for the new Borough Commander. Officers had been moved away from other duties to address the issue and an internal restructuring was taking place. A Community Engagement Board had been set up to co-ordinate action, which would include community representation. Work priorities for it were currently being set. A Community and Youth Engagement Team had also been established.
- 4.12 Ward Panels are locally based and Police managed community/police engagement and consultation groups. Engagement with them was a particular priority and efforts were currently being made to arrange a meeting of their Chairs. Ms Morrell stated that there was scope for different arrangements for ward panels. She noted that wards where there was high demand on Police services tended to get a better service but it was necessary to be mindful of the needs of other areas as there was a danger that they could otherwise be neglected.
- 4.13 A need had also been identified to establish a media hub. In particular, it was acknowledged that social media presence needed to be improved as it was currently somewhat “ad hoc” in nature. In addition to Facebook and Twitter, there were now newer social media platforms that young people used and these needed to be utilised as well. The message provided via the print

medium also needed to be improved. Specific efforts needed to be taken to engage with “hard to reach” groups as well, such as communities that may be new to the borough.

- 4.14 There was a commitment by the Police to have a strong presence in schools. Whilst Police funding for work with schools had been cut elsewhere, it had been preserved in Haringey. There was a dedicated officer in every secondary school and links to primary schools were currently being further developed. A newly appointed person was in the process of making contact with primary schools in order to establish points of contact. The schools team also had responsibility for promoting the Police Cadets. In addition, work was now taking place with the Council’s Early Help Service.
- 4.15 Dedicated schools Police officers undertook a range of tasks:
 - They were present at school gates and could be called in by teachers if necessary;
 - They also appeared in school assemblies and gave talks on a range of issues, such as stop and search;
 - They were a visible presence in and around school.
- 4.16 A lot of work was also undertaken with neighbourhood watches. It was noted that establishing neighbourhood watch in some areas in the east of the borough could be particularly challenging. Suitable accommodation for meetings was a particular issue as there was currently no funding available for this. The use of watch members’ front rooms for meetings was not always feasible or appropriate.
- 4.17 The intention was to build bridges with local communities and, in particular, emerging ones. Confidence in the Police had increased in recent months from 53% to 57% and was now at 61%. However, the Metropolitan Police average was 68%.

Anti Social Behaviour

- 4.18 Anti social behaviour has long been considered as a driver of fear of crime. The Crime and Disorder Act 1998 defines anti-social behaviour as acting in a manner that has "caused or was likely to cause harassment, alarm or distress to one or more persons not of the same household" as the perpetrator.
- 4.19 The Panel received evidence from Alison Pibworth, Team Leader of the Council’s Anti Social Behaviour Action Team (ASBAT) on the work that was currently undertaken in Haringey to address the issue. The team aims to act swiftly in response to a range of issues, including harassment, hate crime, drug misuse and dealing, begging, alcohol related nuisance, prostitution, groups of youths loitering, dangerous dogs and rough sleeping.
- 4.20 A lack of reports did not necessarily mean that there were no issues and residents could not be reporting them. This could be driven by fear. Drug dealing, rough sleeping and prostitutes had been found in some areas

despite there being no or very few reports from local residents. There were known hot spots which had low levels of reporting.

- 4.21 Ms Pibworth reported that a range of civil actions are taken by the Police and Council in response to anti social behaviour. These have included injunctions, deportations of sex workers and Acceptable Behaviour Contracts (ABCs). The injunctions had worked well but issues tended to return over a period of time. Introductory tenancies were used which made it easier to evict tenants who committed anti social behaviour. Community Protection Orders could be used and had proven to be very effective tools.
- 4.22 Residents can use the Community Trigger if they are not happy with the response of agencies to reports of anti social behaviour. Repeat perpetrators and victims are identified and this enables interventions and support to be provided. For example, perpetrators with alcohol issues can be referred for treatment and relevant conditions could be inserted in injunctions. Knowing that successful action had been taken against anti social behaviour helped build confidence, especially amongst victims.
- 4.23 The service promoted community responsibility, working closely with residents and encouraging them to become involved. An example of this was the Community Champions initiative in Northumberland Park that aimed to empower residents. They regularly attended meetings with residents and Ward Panel meetings. They also worked with residents and Homes for Haringey to improve the local environment. Twice weekly litter picks and rubbish removal on estates had been re-introduced by Homes for Haringey in order to give the area a better impression of being cared for.
- 4.24 Enforcement action was taken, if possible, using hearsay evidence, which removed the need for residents to attend court. This also provided residents with greater confidence to report incidents. When possible, flyers were delivered to residents when enforcement action had been taken, with the aim of showing that the service had the capability to respond effectively to incidents.

5. Team Noel Park Pilot

- 5.1 The Panel heard that the Team Noel Park pilot was the prototype for a new partnership approach with the local community, built around shared ambitions to improve the local environment and improve community safety. Its aim was, through active engagement with the community, to build a shared understanding of the community's priorities and a consensus on how to improve outcomes.
- 5.2 The key outcomes aimed for were:
 - A cleaner and safer place;
 - Increased satisfaction as a place to live, work/trade and visit; and
 - Increased pride in the area.
- 5.3 The project also sought to strengthen community capacity and resilience so that in future the community would be empowered to play a more prominent role in generating solutions to local priorities. In time, this could potentially involve co-commissioning services and playing a role in affecting behaviour change, with local public services maintaining a supporting and enabling role.
- 5.4 A further underlying principle was to test an approach to community engagement that was within the current mainstream resources and budgets of the Council and its partners in order to understand the impact better partnership working could deliver in an environment of shrinking resources. The intention was that lessons learnt would be applied to other parts of the borough.
- 5.5 The Noel Park ward was chosen to test the approach based on specific characteristics about the area:
 - It is in the top 3 wards in the borough for violence with injury, robbery, criminal damage and theft from person;
 - It is in the top 20 wards in London for the number of criminal offences (and the worst in Haringey) based on the suite of crime indicators used by the MOPAC; and
 - Anti-social behaviour and environmental crime are also disproportionately high in Noel Park, with the ward being amongst the worst in the borough for fly tipping.
- 5.6 At the same time there is a strong sense of community with active involvement in residents' and community groups. The area also has significant social media infrastructure and therefore felt to have the right conditions to forge a transformational relationship with the council.
- 5.7 The pilot project started in earnest in September 2015. The evaluation of the initiative included consideration of its impact on fear/worry of crime. If successful, it was intended to replicate the approach used in other wards. Crime tends to be concentrated in a small number of electoral wards and the intention was to focus activity on them and particular estates and to look at

alternative ways of working. Focus groups were undertaken in Noel Park as part of the evaluation process.

- 5.8 The Panel received an update on the outcome of the evaluation of the pilot project. The Veolia survey of 2015 obtained the views of 1100 residents, including 200 people from Noel Park. A similar survey had recently been undertaken in order to compare its results with the earlier one to evaluate the impact of the pilot project.
- 5.9 The pilot had had a number of benefits, including enabling new links to be made with and between community groups in Noel Park and better communication with Members and the Council. It was felt that there was also now greater community ownership of local issues and willingness of partners to work with the Council as well as a more constructive dialogue with the community. In addition, shared ambitions for the local area had been developed between residents and project team.
- 5.10 Somewhat disappointingly though, there has been little change in feelings of safety amongst residents. In 2015, 55% of Noel Park residents reported feeling safe in the area at night, compared to a borough figure of 68%. The most recent figure was 47% compared to a borough wide figure of 65%. A similar result had been recorded for people feeling safe during the day, with figures for Noel Park going down slightly from 85% to 84% compared to borough wide figures of 93% in 2015 and 91% in 2016. Officers felt that part of the explanation for this were issues concerning low level crime and anti social behaviour originating from Ducketts Common, which had spread into a wider area. In addition, decreases had also been recorded in the percentage of people who said that they were satisfied with the area that they lived in and how the Council was run.
- 5.11 The pilot project did not have the impact that it was hoped to have. Awareness of issues such as fly tipping and anti social behaviour in the area has increased but it appears that this has led to the perception amongst residents that problems have become worse. It is possible that the focus on these issues had drawn attention to them. A very small number of high profile incidents could also cause significant damage. Consideration is nevertheless being given to rolling out the positive aspects of the pilot elsewhere in the borough, such as the improved dialogue with residents. It is possible that the 2017 survey will show improvements though, especially if there were no serious incidents in the neighbourhood in the meantime.
- 5.12 Despite the disappointing overall outcome, there had been some positives that had arisen. The pilot had enabled residents to become more familiar with services and senior officers and had enabled the Council and its partners to show that they were trying to address problems. Better links had been developed between the Council and residents with Homes for Haringey. 25% of the borough's crime took place in the Wood Green area and it would be unrealistic to think that all of the problems in the area could be solved easily.

6. Other Boroughs - Case Studies

- 6.1 A key part of the Panel's work was determining what action, if any, could be taken to reduce levels of fear of crime by identifying interventions that had worked well elsewhere. Contact was made with four London boroughs that had lower levels of fear of crime, including three (Lambeth, Southwark and Newham) from within Haringey's MSG of London boroughs. The aim of this was to determine if there were any specific interventions that they had undertaken which might be behind their lower levels.

Lambeth

- 6.2 The percentage of Lambeth residents who stated that they are very or fairly worried about crime has gone down from 37% in 2010 to 27% in 2016. There was no single action that was felt to have made a specific difference in reducing levels in Lambeth. However, addressing fear of crime and feelings of safety has been a corporate priority for communications for a number of years. Up until 2016, fear of crime had been identified as the number one concern of residents, with over 40% listing it as a priority area. There have been a number of corporate communications campaigns in respect of the issue, some of which were targeted (e.g. violence against women and girls, the night time economy) and some more general.
- 6.3 It has been a constant presence in their corporate plan. The Council engages regularly with residents groups on the issue, both through the safer neighbourhoods process and groups, such as the old Community and Police Consultative Group and the current Safer Neighbourhood Board, as well as residents groups. They felt the progress that they had made was as a result of spending a sustained period of time talking about the issues with residents and trying to address them where appropriate.

Southwark

- 6.4 The percentage of Southwark residents who stated that they are very or fairly worried about crime was 21% in 2016, exactly half of Haringey's figure. However, this figure has fluctuated since 2010 and was as high as 42% in 2011. Safer communities have been one of Southwark's Fairer Future Promises within its corporate plan and they had undertaken a range of initiatives on relevant issues, although nothing specifically on fear of crime. They were unaware of the fact that their levels of worry about crime were so low. The one factor that they raised that was felt might possibly have contributed towards this was effective multi agency engagement and work with residents associations. They also had put out a steady stream of communications on anti social behaviour and other community safety issues.

Newham

- 6.5 Newham has experienced a large drop in the percentage of residents stating that they are worried about crime in their area, as taken from PAS survey

data, from 60% in 2009/10 to 32% last year. In particular, there has been a steady year on year drop from 2012/13, when the figure was 53%. The decline is confirmed by their own survey data.

- 6.6 There is no specific action plan to reduce fear of crime but they feel that there are a number of things that may have a significant impact on the figures:
- They have taken specific action to increase visible presence on the streets of the borough. The Council has its own team of uniformed Law Enforcement Officers who work alongside the Police. Every ward now has its own dedicated uniformed officer. These deal with a range of issues, including waste and anti social behaviour. In addition, the borough has invested £1.45 million in providing 40 additional Police officers for the borough to deal with crime and community safety issues. Like in Haringey, the officers have been acquired using an agreement under the Police Act 1996 which provides for match funding from the Metropolitan Police.
 - Specific action was taken to license all privately rented property in the borough as this was felt to be a source of anti-social behaviour. Since its launch in January 2013, 36,037 licences have been issued and over 800 prosecutions undertaken against landlords, mainly for failing to licence properties and poor conditions.
 - Action has also been taken to strengthen commercial licensing in order to clamp down on businesses that were a source of disorder and anti social behaviour.
- 6.7 In addition, an extra £5 million has been invested in CCTV cameras and infrastructure, including 200 new cameras.

Camden

- 6.8 The percentage of Camden residents who stated that they are very or fairly worried about crime was 26% in 2016. However, Camden is not part of Haringey's MSG so comparisons need to be treated with caution. Camden's safer communities partnership had prioritised a number of areas for action including domestic violence and abuse, anti social behaviour, estate based issues, the night time economy, serious youth disorder and hate crime. The focus was now more strongly on high risk issues and there had been a range of advertising and campaigns on particular issues.
- 6.9 There was a lot of engagement with the community. This included Camden Safety Views, which was run by a third sector organisation. As part of this, a survey was undertaken every quarter on the views of people about their neighbourhood and, in particular, anything about crime and anti social behaviour that might be of concern to residents.

- 6.10 In addition, they had Youth Independent Advisors (YIA) who were a team of young volunteers who advised the Police and liaised with young people. YIA is a scheme run by Camden Safer Neighbourhood Board. It is made up of young volunteers aged from 15 to 19 years from whom the police, council and other agencies can seek advice on matters relating to crime and community safety. The main focus of the group was to engage with the Police and local Council on areas such as:
- Attending briefing meetings;
 - Observing stop and search operations;
 - Providing input into police training, particularly with regards to youth engagement;
 - Advising the police in engagement activities in school and youth clubs; and
 - Encouraging young people to complain when they feel aggrieved; and
 - Respond to consultation on dispersal notices and designing out crime on estates.
- 6.11 There was also a lot of work that took place with Victim Support and, in particular, assisting them to get referrals. There had been a specific focus on communication, marketing and advertising.

7. Conclusions and Recommendations

- 7.1 The issue of fear of crime is complex and there are no easy ways of reducing it. Despite this, the Panel has been able to draw some conclusions from the evidence it received.
- 7.2 The fact that such a high percentage of people in the borough say that they are fairly or very worried about crime issue should be a matter of serious concern to the Council and its partners. The figures are some of the highest in London and significantly higher than many boroughs that are similar to Haringey but have greater levels of crime.
- 7.3 The effects of crime are not only felt by its direct victims. Fear of crime can have a seriously detrimental effect on the quality of life of residents, can impact on their health and well being and make them more susceptible to becoming a victim. In addition, the “post code” issue in certain areas of the borough can also affect the life chances of young people as they feel less able to take advantage of opportunities in some areas of the borough.
- 7.4 The current Community Safety Strategy has prioritised action to improve confidence in policing and community safety. It was assumed that successful action on this also lead to a reduction in fear of crime. However, increasing the percentage of people who feel that the Police are doing a good job may not necessarily have this effect. Despite the latest figures showing that confidence has improved within the borough, there is so far no evidence of fear of crime going down. Evidence from the MOPAC also suggests the link between the two issues may have been overstated. Indeed, if improved confidence leads to higher levels of reporting of crime, it is possible that it might even lead to higher levels of fear of crime as it may generate the perception that crime is increasing.
- 7.5 The Panel notes that fear of crime is likely to be made a separate priority by the Community Safety Partnership within the new Community Safety Strategy for the borough and would strongly endorse this.

Recommendation 1:

That reducing fear of crime be set as a separate priority by the Community Safety Partnership in the new Community Safety Strategy for the borough.

- 7.6 Although the Panel is of the view that reducing fear of crime should be a priority, it is mindful that this may not be easy to achieve in practice as action that has taken place to date has not been successful. Objective 1 of Priority 3 of the Council’s Corporate Plan 2015-18 uses reduction in fear of crime as an outcome indicator on the success of action to improve the environment by reducing anti social behaviour and environmental crime. The target is to bring the percentage of people stating that they are worried about crime down to 29% by 2018. This is not on course to be met and the percentage

has actually increased to 42%. In addition, the initiatives undertaken as part of the Team Noel Park pilot to address environmental crime and anti social behaviour and develop community engagement that were hoped to reduce fear of crime have proven to be unsuccessful in achieving this.

- 7.7 It is likely to be the case that in areas of the borough where more serious incidents are more common, environmental crime and anti social behaviour is a less significant driver of fear of crime. One explanation that was given for the lack of success of the Team Noel Park in reducing fear of crime is that this was due to issues concerning Ducketts Common spreading out into a wider area which may have overshadowed other improvements. It is possible that such an initiative may work better in areas of the borough with comparatively lower levels of more serious crime.
- 7.8 Fear of crime does not appear to be uniform amongst residents. What may be the source of a large number of complaints in one area of the borough may not be regarded in the same way by the residents of a different area. For example, the Panel heard that some anti social behaviour “hot spots” within the borough did not attract the high level of complaints that would be expected elsewhere. It is nevertheless important that the response to incidents is proportionate to their severity.
- 7.9 There is evidence that some sections of the community have disproportionate levels of concern about crime. Evidence from the MOPAC suggests that older people and people from some black and minority ethnic communities may have higher levels of anxiety. The “Britain Think” survey that was undertaken by the Council in 2014 also showed a significantly higher percentage of people over the age of 55 felt unsafe going out after dark. Higher levels of concern about anti social behaviour were also reported amongst people describing themselves as Asian or Asian/British. Ironically, both of these groups are at a comparatively low level of risk of becoming victims of crime.
- 7.10 The Panel is of the view that an action plan should be developed to reduce fear of crime. This may require both mainstream work to address the types of crime and anti social behaviour that cause residents the most anxiety as well as more specific action to provide reassurance to local communities through improved engagement and communication. The Panel feels that the action plan should be adaptable to local conditions and concerns and include targeted work with sections of the community disproportionately affected by fear of crime, such as older people and people from some black and minority ethnic communities.

Recommendation 2:

That action plans that may be developed by the Community Safety Partnership to reduce fear of crime be adaptable to local conditions and concerns and include targeted work with sections of the community who are disproportionately affected by it.

- 7.11 The evidence obtained by the Panel from other local authorities showed a range of actions that were felt may have contributed to reduced fear of crime but it was not possible to be conclusive about them. In addition, action previously taken in Haringey to address the issue has not always achieved its desired result. The Panel is therefore of the view that further work will need to be undertaken to identify interventions that have the greatest potential to be effective. The work on fear of crime and its link to anti social behaviour by Victim Support may provide useful evidence and the Panel would therefore recommend that the outcomes of this be taken into account in developing future action plans.

Recommendation 3:

That, in developing the above-mentioned action plan, further work be undertaken to identify effective interventions, including reference to the outcomes of work by Victim Support on the link between anti social behaviour and fear of crime.

- 7.12 Successful action to reduce crime and anti social behaviour should help to reduce fear of crime but there is evidence that positive messages are not getting through to residents. For example, there was a strong perception from those responding to the Panel's survey that burglary is going up despite the sizeable decrease in burglary levels that has taken place in areas of the borough recently following the introduction of MetTrace. Of particular concern is that the survey was distributed primarily through organisations, such as neighbourhood watch, that would be expected to be amongst the better informed sections of the community.
- 7.13 Not all messages relating to crime and community safety will be positive but it is important the residents are able to gain a balanced picture of issues so that they are able to base their perceptions on sound information.
- 7.14 The Panel noted that addressing fear of crime and feelings of safety has been a corporate priority for communications in Lambeth for a number of years, where levels of fear of crime are now much lower than Haringey. However, it is mindful that action to address crime and community safety is a partnership activity and, in particular, the Police have an important role to play. It is therefore of the view that Council action to improve communication with residents on such issues would be best undertaken jointly with the Police and through the Community Safety Partnership.
- 7.15 The Panel feels that further action to improve communication and engagement with the local community on crime and community safety is required and that this should be set as a key and ongoing priority by the Community Safety Partnership.

Recommendation 4:

That action to improve communication and engagement with the community on crime and community safety issues be set as an ongoing priority for the Community Safety Partnership.

- 7.16 The Panel noted that it is proving very difficult to establish neighbourhood watch in some areas of the borough. This is particularly true of the east of the borough, which only has half the number of ones in the west. The establishment of neighbourhood watches can have a number of benefits. They can demonstrate that people care and have pride in their community, help people share information among neighbours and with the Police, prevent crime and help reassure people, therefore reducing fear of crime and isolation.
- 7.17 The Panel heard that efforts to establish neighbourhood watches are being hindered by a lack of resources. One particular issue is the lack of suitable venues for meetings. Many people were unwilling or unable to hold them in their own homes and the use of public houses is not feasible as people from some communities are reluctant to go into them for religious or cultural reasons. The Panel is of the view that only relatively modest amounts of expenditure are required to address this issue successfully through funding for meeting venues and refreshments. Each Council ward currently has a small budget and the Panel feels that this could be used for such purposes.

Recommendation 5:

That, where necessary, funding from ward budgets be used to assist with the establishment and sustainment of neighbourhood watches through provision for premises hire and refreshments.

- 7.18 One specific intervention that officers in Newham felt may have contributed to their large reduction in levels of fear of crime was the introduction of a borough-wide property licensing scheme for all private rented properties. This was felt to have assisted by reducing levels of anti social behaviour.
- 7.19 The Housing Act 2004 provides for the introduction of a scheme of additional and selective licensing of private sector properties in a local authority's area. Additional licensing relates to HMOs not covered by the mandatory licensing scheme and selective licensing relates to all other private sector dwellings, with exceptions. Both licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action.
- 7.20 Before an authority can introduce a scheme or schemes, it has to produce a robust evidence base, a draft set of conditions and a fee schedule and carry out a public consultation. Haringey is currently working on its evidence base

and it is likely that it will consult on a borough wide additional licensing scheme and a selective licensing scheme initially covering 20% of the borough.

- 7.21 Any selective scheme that is larger than 20% requires agreement by the Secretary of State. Once the 20% selective licensing has been rolled out, it is hoped that to extend the scheme across the borough over a 4-5 year period, subject to the further development of the evidence base. Eight London boroughs have now brought in such schemes - Barking and Dagenham, Brent, Croydon, Harrow, Newham, Southwark, Tower Hamlets and Waltham Forest.
- 7.22 The draft timetable is as follows:
- Cabinet Report seeking agreement for a borough wide consultation exercise; September 2017.
 - Public Consultation; October to December 2017
 - Cabinet report on outline of consultation and proposing a scheme; March 2018
 - Introduction of scheme; September 2018.
- 7.23 In view of the evidence from other local authorities concerning the potential of such schemes to address anti social behaviour, the Panel would strongly support the current proposals.

Recommendation 6:

That the proposed introduction of a borough wide additional licensing scheme to cover houses in multiple occupation and a selective scheme to initially cover 20% of the borough, with a view to extending it across the borough in due course, be strongly supported.

- 7.24 The Panel noted that 28% of those responding to the Panel's survey on fear of crime stated that they felt that improved street lighting would help them feel safer. A number of research projects have suggested that better street lighting can reduce fear of crime although there is less evidence to demonstrate whether it actually reduces actual crime.
- 7.25 There is currently a programme being undertaken by the Council to upgrade street lighting. This is aimed at upgrading areas to LED energy efficient lighting. As well as being more energy efficient, they are also brighter. Not all of the borough is being upgraded at the moment as there is only sufficient funding to cover areas where current lighting is the oldest at the moment. There is a budget of circa £1 million for this in 2017-18. However, the Panel notes that the upgrade has not proven universally popular with all residents as some consider the new lights to be too bright and intrusive.

- 7.26 The Panel is nevertheless of the view that crime and community safety issues should be taken into account when deciding which streets within the borough are prioritised for upgrading.

Recommendation 7:

That, in view of their positive impact in combating fear of crime, issues relating to crime and community safety be taken into account when selecting which streets are prioritised for upgrading of street lighting.

- 7.27 The Panel notes that issues arising from betting shops were raised by residents responding to the Panel's survey and takes the view that operators have a responsibility to address such issues. The Overview and Scrutiny Committee undertook a successful review on the clustering of betting shops in 2010/11. This made recommendations on a range of issues that may be connected to betting shops, including anti social behaviour. As part of this, engagement took place between the Committee and a number of betting shop operators.

- 7.28 The Panel is of the view that the issue of betting shops should be re-visited by the Overview and Scrutiny Committee and that this should focus in particular on how any anti social behaviour arising from them is addressed and include engagement with operators.

Recommendation 8:

That the Overview and Scrutiny Committee re-visit issues regarding betting shops and, in particular, how any anti social behaviour associated with them is addressed.

- 7.29 A number of residents also raised the issue of speeding cars in residential streets response to the Panel's survey and stated that this made them feel less safe in their area. Whilst the 20 mph speed limit is a welcome initiative, there may be a need to consider further how, within current resource constraints, it can be enforced better. The scheme was introduced in February 2016 and, in the light of this, the Panel requests an update on its progress to date at a future Panel meeting so it can review its effectiveness and consider proposals for any improvements that could be made to the scheme.

Recommendation 9:

That a report be submitted to a future meeting of the Panel on progress since the implementation of the 20 mph speed limit in residential streets within the borough.

Report for: Overview and Scrutiny Committee, 17 July 2017

Title: Overview and Scrutiny Annual Report 2016/17

Report authorised by : Bernie Ryan, Assistant Director, Corporate Governance

Lead Officer: Christian Scade, Principal Scrutiny Officer,
Tel: 020 8489 2933, Email: christian.scade@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1 To consider the Overview and Scrutiny Annual Report for 2016/17 that is attached at Appendix A.

2. Cabinet Member Introduction

- 2.1 N/A

3. Recommendations

- 3.1 That the Overview and Scrutiny Annual Report 2016/17 (Appendix A) be approved for submission to full Council.

4. Reasons for decision

- 4.1 The Overview and Scrutiny Committee (OSC) must report annually to full Council as set out in Part 2 (Article 6) of the Constitution.

5. Alternative options considered

- 5.1 N/A

6. Background information

- 6.1 The Overview and Scrutiny Annual Report (Appendix A) details the work of the five scrutiny bodies in Haringey, and the North Central London Joint Health OSC.

7. Contribution to strategic outcomes

- 7.1 The issues included within the 2016/17 scrutiny work programme were prioritised following consideration of Haringey's Corporate Plan 2015-2018.
- 7.2 Items selected for scrutiny review were based on their potential to contribute to strategic outcomes relating to "Outstanding for All", "Clean and Safe" and "Sustainable Housing, Growth and Employment".

8. Statutory Officers comments

Finance

- 8.1 There are no financial implications arising directly from this report.

Legal

- 8.2 As set out in Part 2 (Article 6) of the Constitution, the Overview and Scrutiny Committee must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

Equality

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

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

- 8.4 Overview and Scrutiny has addressed these duties by considering them in work plan development, as well as individual pieces of work. This has included looking at:

- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
- Whether the impact on particular groups is fair and proportionate;
- Whether there is equality of access to services and fair representation of all groups within Haringey;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, is being realised.

9. Use of Appendices

- 9.1 Appendix A – Overview and Scrutiny Annual Report 2016/17

10. Local Government (Access to Information) Act 1985

Overview and Scrutiny

Annual Report 2016/17

Foreword

Councillor Charles Wright
Chair, Overview and Scrutiny Committee

Haringey's Overview and Scrutiny Committee 2016/17



Cllr
Charles Wright (Chair)



Cllr Pippa Connor
(Vice Chair)



Cllr Makbule Gunes



Cllr Kirsten Hearn



Cllr Emine Ibrahim

Co-opted Members of the Overview and Scrutiny Committee:

Church Representatives

- Yvonne Denny
- Chukwuemeka Ekeowa

Parent Governor Representatives

- Luci Davin
- Uzma Naseer

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 7. Environment and Community Safety Scrutiny Panel
 8. Housing and Regeneration Scrutiny Panel
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Appendix 1: The functions and service areas covered by scrutiny (2016/17)

Scrutiny in Haringey

1. What is scrutiny?

“**Scrutiny** is based on the principle that someone who makes a decision...should not be the only one to review or challenge it. **Overview** is founded on the belief that an open, inclusive, member-led approach to policy review...results in better policies in the long run.”

Jessica Crowe, former Executive Director, Centre for Public Scrutiny

- 1.1 Overview and Scrutiny was brought into being by the Local Government Act 2000. A requirement of the act is for a local authority with executive arrangements to have one or more Overview and Scrutiny Committees.
 - 1.2 This scrutiny committee is able to scrutinise the decisions or actions taken by the Council or partner organisations or indeed, assess any matter that affects people living in the borough.
 - 1.3 In this context, the primary role of the Committee is to hold local decision makers to account and to help improve local services. The Committee has a number of distinct functions:
 - To review and challenge decisions taken by the Council and its partners (e.g. NHS, police);
 - To undertake investigations into services or policy areas which are of interest or concern to local people;
 - To make evidence based recommendations to improve services provided by the Council and partner organisations.
 - 1.4 Given these functions, Overview and Scrutiny plays an important role in local democracy through: enhancing local accountability of services; improving transparency of decision making; and enabling councillors to represent the views of local residents.
-

2. What is effective scrutiny?

- 2.1 The careful selection and prioritisation of work is essential if the scrutiny function is to be successful, achieve added value and retain credibility. A summary of what needs to be done to ensure an effective scrutiny function is in operation is outlined below:

An effective scrutiny work programme should reflect a balance of activities

- Holding the Executive to account
- Policy review and development – to assess the effectiveness of existing policies or to inform the development of new strategies

- Performance management – identifying under-performing services, investigating and making recommendations for improvement
- External scrutiny – scrutinising and holding to account partners and other local agencies providing key services to the public
- Public and community engagement – engaging and involving local communities in scrutiny activities and scrutinising those issues which are of concern to the local community

Key features of an effective work programme

- A member led process, short listing and prioritising topics – with support from officers – that:
 - reflects local needs and priorities – issues of community concern as well as Corporate Plan and Medium Term Financial Strategy priorities
 - prioritises topics for scrutiny that have most impact or benefit
 - involves local stakeholders
 - is flexible enough to respond to new or urgent issues

2.2 Depending on the topic, and planned outcomes, scrutiny work is carried out in a variety of ways, using various formats. In accordance with the [scrutiny protocol](#), areas of enquiry have been drawn from the following:

- Performance Reports
- One off reports on matters of national or local interest or concern
- Issues arising out of internal and external assessment
- Reports on strategies and policies under development
- Issues on which Cabinet or officers would like scrutiny views or support
- Progress reports on implementing previous scrutiny recommendations

2.3 In addition, in-depth scrutiny work, including task and finish projects, are an important aspect of Overview and Scrutiny and provide opportunities to thoroughly investigate topics and to make improvements. Through the gathering and consideration of evidence from a wider range of sources, this type of work enables more robust and effective challenge as well as an increased likelihood of delivering positive outcomes.

3. The structure of scrutiny in Haringey

- 3.1 In Haringey there is one over-arching Overview and Scrutiny Committee, which is supported in its work by four standing scrutiny panels which scrutinise the following service areas: Adults and Health; Children and Young People; Environment and Community Safety; and Housing and Regeneration.

Overview & Scrutiny Committee and Scrutiny Panels

- 3.2 The Overview and Scrutiny Committee is made up of five councillors who are not members of the Cabinet (the decision making body of the Council). Membership of Overview & Scrutiny Committee is proportional to the overall political makeup of the Council.
- 3.3 Scrutiny panels are made up of between 3 and 7 councillors who are not members of the Cabinet. Scrutiny panels are chaired by members of the Overview and Scrutiny Committee and membership is politically proportionate as far as possible.
- 3.4 Both the Overview and Scrutiny Committee and scrutiny panels oversee discrete policy areas and are responsible for scrutinising services or issues that fall within these portfolios.
- 3.5 A number of scrutiny functions are discharged by both the Overview and Scrutiny Committee and the individual panels. This includes: Questioning relevant Cabinet members on areas within their portfolio; Monitoring service performance and making suggestions for improvement; Assisting in the development of local policies and strategies (e.g. through local project work); Monitoring implementation of previous scrutiny reports; and Budget monitoring.
- 3.6 As the 'parent' committee, the Overview and Scrutiny Committee is required to approve work programmes and to ratify reports and recommendations developed by scrutiny panels. The Overview and Scrutiny Committee also retains a number of distinct scrutiny functions not undertaken by panels. This includes:
- **Call-ins:** where there is a challenge to decision taken by the Cabinet or individual Cabinet member or a key decision taken by an officer under delegated authority.
 - **Councillor call for action:** where local councillors can refer matters of genuine and persistent concern which have not been possible to resolve through usual council processes.
- 3.7 A list of service areas covered by the Overview and Scrutiny Committee and Scrutiny Panels, during 2016/17, is provided at **Appendix 1**.
-

The Work of Overview and Scrutiny in 2016/17

4. Overview and Scrutiny Committee

Councillors: Charles Wright (Chair), Pippa Connor (Vice-Chair), Makbule Gunes, Kirsten Hearn and Emine Ibrahim

Co-optees: Luci Davin, Yvonne Denny, Chukwuemeka Ekeowa and Uzma Naseer

Overview

- 4.1 There were eleven meetings of the Overview and Scrutiny Committee in 2016/17. In addition to the three meetings to consider call-in requests, and the two meetings to undertake budget scrutiny (set out below), the Committee undertook some inquiry work under its remit.
- 4.2 In addition to the issues set out below, the Committee continued to monitor the Council's performance as set out in the Corporate Plan Priority Dashboards, and held a Q&A session with the Leader of the Council and then Chief Executives on their priorities for the year ahead

Social Inclusion

- 4.3 In June 2016, the Committee published an interim report for our inquiry into social inclusion, where we focussed on the Campsbourne Estate in Hornsey Ward as a case study.
- 4.4 This work concluded with a joint session with the Housing and Regeneration Panel in February 2017, where we considered four policies: the Homelessness Strategy and Delivery Plan, the Tenancy Strategy, the Allocations Policy and the Intermediate Housing Policy. This was an opportunity for the Committee to apply its findings from the inquiry into social inclusion to policies being developed by Cabinet, and to consider the issues raised in consultation. The Committee made recommendations, which were taken into account in the finalisation of these policies.

Complaints

- 4.5 The Committee received an update in November 2016 on Complaints against the Council, including response times. The Committee were keen that the complaints process is better understood by Members, and encouraged officers to work with Members to ensure issues were directed at the most appropriate channel to enable Members to get best results for their residents. The Committee were also keen that the Council learned from the complaints it received to improve processes and services to Members, and looks forward to receiving an update on this point in the future.

Welfare Reform

- 4.6 The Committee noted in November 2016 how the Government's welfare reform programme was affecting residents, and the action being taken by the Council to mitigate the impact. Members appreciated the developed understanding of the impact, and the Committee will receive a further update in the future.

Customer Services

- 4.7 The Committee heard at its March 2017 meeting how the Council's Customer Service Transformation Programme was developing, which it had recognised as a key area in the budget-setting scrutiny for future savings and different delivery models. This gave the Committee opportunity to voice some concerns heard from residents on how changes to customer services were being received. The Committee sought a further update on this, to be delivered in 2017/18.

Corporate Parenting

- 4.8 Following the Jay Report into child sexual exploitation in Rotherham, the Committee has been particularly mindful of the need to ensure the Council's scrutiny function is alert to matters of child safety exploitation, and this programme of work has continued for a number of years. In 2016/17, the Committee heard from the Cabinet Member for Children and Families how the Council was undertaking its Corporate Parenting role, and how Scrutiny could better hold the Council to account in the fulfilment of that duty. The Committee also agreed that refresher training ought to be provided to all Members, and that the Committee receive a regular update on Corporate Parenting.

Hornsey Town-Hall Call In

- 4.9 The Committee considered two call-in requests for the Cabinet decision on the Preferred Bidder to Secure the future of Hornsey Town Hall at a special meeting on 8 November. The Committee heard from the two lead Members for the Call-ins, Councillors Engert and Ejiofor, and in a deputation from the Hornsey Town Hall Appreciation Society. Upon consideration of the issues raised the Committee agreed to refer the decision back to Cabinet, as the decision-maker, with 10 recommendations.
- 4.10 These recommendations sought to provide assurance to the public about access to the Hornsey Town Hall site, to seek to increase the level of affordable housing on the site, and to try and ensure the future oversight of the future use of the building to ensure commitments were observed.
- 4.11 Cabinet re-considered its decision at its meeting in November 2016, and responded generally positively to the Committee's recommendations.

Kerswell Close Call In

- 4.11 At a special meeting on 6 December, the Committee considered a call-in request for the Cabinet Decision on the Sale of Land at Kerswell Close to a developer of intermediate housing. Following consideration of the issues raised by Councillor

Tucker, who had led the Call-in request, the Committee decided to not refer the decision back to Cabinet, meaning it was implemented immediately.

Haringey Development Vehicle Call-In

- 4.12 The Committee heard two call-in requests at a special meeting in March 2017 pertaining to the Cabinet's decision to appoint Lendlease as the Preferred Bidder for the Haringey Development Vehicle. In addition to the introductions from the two Members that led the Call-in requests, Councillors Hare and McNamara, the Committee heard deputations from Defend Council Housing and the Haringey Leaseholders Association, and from the Unite and GMB unions.
- 4.13 Following consideration of the issues raised by the call-ins, the Committee agreed to refer the decision back to Cabinet, as the decision-taker, along with six recommendations. These included requests for commitments to Equalities Impact Assessment, for a guaranteed right to return for residents and leaseholders from sites that would go into the HDV immediately, and that there be exploration of past allegations of poor industrial relations and improved training provision in the future.
- 4.14 Cabinet re-considered its decision at a special meeting in March 2017, where the Cabinet responded positively to the Committee's recommendations.

5. Adults and Health Scrutiny Panel

Chair's Introduction

"During the year, a broad programme of work has been undertaken. The Panel scrutinised a range of public health, adult social care and safeguarding issues to support the delivery of strategic priorities.

The Panel also undertook an in-depth piece of work focusing on physical activity for older people. This project was set up because recent studies have shown many older people don't get enough exercise – despite the fact that keeping active can reduce risks of ill-health including dementia, cardio-vascular disease, diabetes and some forms of cancer. Our recommendations included a range of proposals to get older people active including:

- *Greater co-ordination between health professionals, leisure providers, charities and volunteers to encourage more older people to take up physical activities;*
- *Further promotion of existing schemes aimed at older people, such as free access to leisure centres for over-65s; the Haringey Walks campaign, and the 'Better with Age' programme;*
- *Promoting ways to increase physical activity among older people living in council - run care homes and sheltered housing, such as regular dance classes.*

Underpinning the recommendations, and important in its own right, is the work being led by the Bridge Renewal Trust on "mapping" activities across the borough. We recognise both residents and front line workers need to be able to access this information in order to make choices that suit them.

I am pleased the response, [considered by Cabinet in June 2017](#), has been positive. These issues will be kept under close review during 2017/18.

As Chair, I would like to thank members, officers and stakeholders, and, not least, members of the public who made positive contributions to meetings throughout the year."

CLlr Pippa Connor, Chair

Councillors: Pippa Connor (Chair), Gina Adamou, Charles Adje, David Beacham, Patrick Berryman, Eddie Griffith and Peter Mitchell

Co-optee: Helena Kania

Overview

- 5.1 There were six formal meetings of the Adults and Health Scrutiny Panel in 2016/17. In addition, various evidence gathering sessions took place to assist in-depth project work on physical activity for older people and to better understand issues outlined in the work programme. For example, site visits to Ermine Road Day Centre and the Haynes Centre provided the Panel with greater insight into the transformation processes underway to develop and implement a new model of day opportunities.

Key issues of concern

- 5.2 Throughout the year the Panel focused their input on areas of concern, including: General Practice in Haringey; Addressing Community Wellbeing; Foot Care Services; Day Opportunities; The Home Care Market across Haringey; and Osbourne Grove Nursing Home. Key lines of enquiry, across the Panel's work programme, focused on the significant funding and demand challenges and the guiding principles for service transformation, including scrutiny of Haringey's target operating model.

Adult Safeguarding

- 5.3 As in previous years, the Panel considered a wide range of issues in relation to adult safeguarding and Haringey's ambition to develop a community wide partnership approach to quality assurance. This included meeting with the Care Quality Commission who presented an overview of inspections carried out in the borough, drawing out key trends and lessons regarding the quality of care delivered in the borough.
- 5.4 The Panel also met with Dr Adi Cooper, the Independent Chair of Haringey's Safeguarding Adults Board (SAB), to receive an update in Making Safeguarding Personal (MSP), a sector led initiative that aims to enhance choice, control and quality of life. As a result of work in this area, a number of important actions have been taken forward to ensure a greater sense of responsibility for adult safeguarding amongst all Councillors' and an improved system of reporting back to scrutiny which allows oversight of how MSP is working for the people it is place to protect.

Financial Scrutiny

- 5.5 The Panel also kept an overview of the financial performance of services managed by the Director of Adult Social Services and the Adults focussed services managed by the Director of Public Health and the Assistant Director of Commissioning. This was done by holding a special single issue meeting in November which allowed consideration of the Corporate Plan Priority 2 Budget position.
- 5.6 As part of the Council's formal budget scrutiny process, during December, the Panel also contributed to the development of the new medium term financial strategy (2017/18 – 2021/22) by providing recommendations on various savings proposals. Further information about Budget Scrutiny can be found in Section 10.

Cabinet Member Q & A

- 5.7 The year started and concluded with opportunities to question Cllr Jason Arthur, Cabinet Member for Finance and Health, on his portfolio. Cllr Arthur attended meetings throughout the year while the Q&A sessions in July and March provided opportunities to hold the Cabinet Member to account across his portfolio.

Joint Scrutiny

- 5.8 A summary of joint scrutiny work undertaken in relation to the North Middlesex University Hospital NHS Trust and the Barnet and Haringey Mental Health NHS trust is provided in Section 9.

6. Children and Young People Scrutiny Panel

Chair's Introduction

- 6.1 *"The Children and Young People's Scrutiny Panel covers, amongst other things, safeguarding and education improvement, which are high priorities for both residents and the Council. The Panel has aimed to focus on the key issues in these areas and the following were included within its work during the year."*

Cllr Kirsten Hearn, Chair

Councillors: Kirsten Hearn (Chair), Mark Blake, Toni Mallett, Liz Morris and Reg Rice

Co-optee: Ms Y. Denny (Church of England representative), Mr C. Ekeowa (Catholic Diocese representative), Ms L. Davin (Parent Governor) and Ms. U. Naseer (Parent Governor)

Review on Child Friendly Haringey

- 6.2 The Panel undertook a piece of in-depth work on how the Council could best incorporate the principles within the United Nations Convention on the Rights of the Child into strategic priorities and embed it within everything that the Council does.

Update on Recommendations from the OFSTED Single Inspection Framework Report on Services for Children in Need of Help and Protection, Children Looked After and Care Leavers and Review of the Effectiveness of the Local Safeguarding Children Board

- 6.3 At a special meeting, the Panel looked in detail at the progress that has been made in implementing the recommendations of the OFSTED inspections of 2014 and received reports on this from the Chair of the Haringey Local Safeguarding Children Board and the Director of Children's Services.

Scrutiny of the Draft Medium Term Financial Strategy (MTFS)

- 6.4 The Panel looked in detail at proposals within the MTFS plan affecting services for children and young people and made recommendations regarding the level of detail provided within the proposals and risk modelling.

Child obesity; 2016 Update

- 6.5 It was reported to the Panel that Haringey had adopted a "whole systems" approach to addressing child obesity and that this was focussed principally on sugar reduction and physical activity. A range of initiatives were taking place including work to encourage schools to increase the length of PE lessons to two hours and the "Daily Mile" programme.

Haringey Children's Centres - The Impact of Closures

- 6.6 The Panel received a report on action that had been taken to mitigate the effect of the reductions in the number of Children's Centres from 16 to 9. Despite this, the

number of children registered had increased slightly. The benchmark for children registered had been set at 65% of those eligible and this had been met

Haringey Youth Zone

- 6.7 The Cabinet Member for Communities reported to the Panel on proposals to develop a Haringey Youth Zone. This would bring in additional funding to develop youth provision in the borough. The Panel expressed concerns at the “one size fits all” model and felt that the process would have benefitted from earlier engagement.
-

7. Environment and Community Safety Scrutiny Panel

Chair's Introduction

- 7.1 *“This Panel has a wide portfolio that includes the environment, crime, litter collections, refuse and recycling. The Panel has aimed to continue to focus on the issues that are most important to Haringey residents and, through this, help to improve our environment by providing evidenced based projects which can help inform the debate about how to make this a clean and safe borough to live.”*

Cllr Makbule Gunes, Chair

Councillors: Makbule Gunes (Chair), Barbara Blake, Bob Hare, Clive Carter, Stephen Mann and Anne Stennett

Co-optee: Ian Sygrave, Haringey Association of Neighbourhood Watches

Fear of Crime

- 7.2 The Panel undertook a piece of in-depth work on addressing fear of crime. It made a number of recommendations including:
- There being a stronger focus on reducing fear of crime by the Community Safety Partnership;
 - That actions plans be adaptable to local conditions and concerns; and
 - That, where necessary, ward budgets be used to help fund accommodation costs for neighbourhood watches.

Haringey Safer Communities Partnership

- 7.3 The Panel received a report from the Police Service on the crime statistics for the Borough. The Panel noted that there had been increases in hate crime, knife enabled crime and serious youth violence. However, there had also been a large reduction on burglary.

Waste, Recycling and Street Cleansing Performance

- 7.4 The Panel received regular updates on performance levels in respect of waste, recycling and street cleansing performance.

Implementation of 20 mph Speed Limit

- 7.5 The Panel received a report on the progress that had been undertaken with the introduction of the 20 mph speed limit in residential roads. It noted that the scheme had gone live in February 2016 and that enforcement had taken place on roads where problems had occurred.

Prevent Strategy Update

- 7.6 The Panel received an update on progress with the Prevent initiative that had been set up to address violent extremism. This involved a wide range of work including providing support for schools and for parents, through training on internet usage and on-line safety.

Medium Term Financial Strategy 2017/18 - 2021/22

7.7 The Panel considered the proposals relating to Priority 3 within the Council's Medium Term Financial Strategy (MTFS) and made recommendations on a number of issues, including;

- Charging for bulky household waste and replacement wheelie bins;
- Rationalisation of parking visitor permits;
- The new parking operating model; and
- Relocation of parking/CCTV Processes and appeals

Haringey's Sustainable Transport Programme

7.8 The Panel received a report on the Council's Sustainable Transport Programme. The Panel felt that positive news, such as the installation of cycle hangars, needed to be promoted strongly. Although no car developments were increasing in number, housing estates were not making the same level of progress and there was still some way to go to bring about culture change.

8. Housing and Regeneration Scrutiny Panel

Chair's Introduction

"The residents of our borough have high expectations with respect to the delivery of council services. It is our duty to act as a "critical friend" to ensure these expectations are met.

With this in mind, it has been a busy year with Panel's work programme dominated by the Haringey Development Vehicle (HDV). During 2016/17 we established, and completed, projects on both governance and the design and operation of the HDV. At the same time, we have ensured other issues, including areas of concern, have been kept under review.

The manner in which the Panel has operated shows the positive contribution Overview and Scrutiny can make. I would like to thank members, officers and other stakeholders, who have contributed to our work."

Cllr Emine Ibrahim, Chair

Councillors: Emine Ibrahim (Chair), John Bevan, Gail Engert, Tim Gallagher, Martin Newton, Zena Brabazon and Stuart McNamara

Haringey Development Vehicle

- 8.1 On 10 November 2015, Cabinet approved the business case for establishing the HDV, a joint venture between the Council and a private partner to drive the development of housing and employment space, and wider regeneration, on Council-owned land.
- 8.2 In this context, at the start of the municipal year, the Panel agreed to look carefully at the governance arrangements for the HDV as it was agreed such arrangements would be critical to ensure the operation of the HDV is transparent and accountable and operates in the interest of the council and the residents it serves.
- 8.3 In developing its report on governance, the Panel held a number of evidence gathering sessions and received evidence from local stakeholders including council officers, community group representatives, other local authorities, Investment Partners in other joint ventures and expert independent opinion via the Chartered Institute of Housing.
- 8.4 In January 2017, the Panel made a number of recommendations, including that further scrutiny of the proposals for the establishment of the proposed HDV be undertaken before summer 2017. The recommendations on governance were considered by Cabinet on 14th February 2017.

[Recommendation on Governance with Cabinet Response \(14 February 2017\)](#)

- 8.5 At the same meeting, Cabinet agreed to proceed to the Preferred Bidder Stage with Lendlease as its preferred bidder, a decision that was "Called-In" and studied by OSC on 2nd March 2017. OSC referred this decision back to Cabinet, with recommendations. On 7th March 2017 Cabinet re-considered and confirmed its original decision, subject to further commitments in response to the Call-In.

- 8.6 During spring, following the interim report on governance and the Call-In, further scrutiny work was undertaken by the Panel, concerning the design and operation of the HDV. The Panel held six evidence gathering sessions, meeting stakeholders with a wide range of knowledge and experience. This included local witnesses, such as council officers and community group representatives, as well as external contributors.
- 8.7 A number of themes emerged from the investigation. These relate, primarily, to: the business case; audit and risk; the scale of the proposed HDV, officer capacity; and concerns about the financial modelling and timing of the decision.
- 8.8 These findings were used to develop a number of recommendations based on important principles, including: protecting the Council's financial position; anticipating and managing risk; protecting residents' rights, the provision of affordable housing; advancing equality; ongoing democratic control and accountability; and ensuring transparency and probity.
- 8.9 The final recommendations from this in-depth scrutiny investigation were considered by Cabinet at its 3rd July meeting. The response from Cabinet to all recommendations can be found via the link below:

[Scrutiny Recommendations with Cabinet Response \(3 July 2017\)](#)

Supported Housing Review – Older People

- 8.10 In addition to the HDV, the Panel hosted a scrutiny in-a-day event, focusing on older people, to assist evidence gathering for the Council's Supported People Review. Supported Housing is funded by two council departments, Housing and Social Care, and is a preventative provision designed to reduce homelessness and social exclusion and address social care needs. The work of scrutiny, focusing on older people, allowed input into the development of the Housing Support Transformation Framework and the principles that will guide the design and delivery of Haringey's refreshed housing support offer.
- 8.11 Findings from the review were considered in February and the Panel highlighted that much of the change recommended for supported housing was obvious and overdue, with much of the discussion focusing on improving working practices in supporting older people. The Panel was also keen that sheltered housing tenants should be actively involved in shaping any changes to their service. These issues will be kept under review during 2017/18

Monitoring

- 8.12 As well as performance monitoring, throughout the year the Panel kept an overview of the budget position for Priorities 4 and 5 of Haringey's Corporate Plan. In addition, and as part of the Council's formal budget scrutiny process, during December, the Panel contributed to the development of the new medium term financial strategy (2017/18 – 2021/22) by providing comment on various savings proposals. Further information about Budget Scrutiny can be found in Section 10.

Cabinet Member Q & A

- 8.13 Two Cabinet member portfolios sit within the remit of this panel and both attended during the year to respond to questions:

- 8.14 In addition to the HDV, a wide range of issues were discussed with the Cabinet Member for Housing Regeneration and Planning, including: The impact of the Housing and Planning Act; The level of planning applications being approved; The Council's infill house building scheme; The Housing Revenue Account; Housing Zone funding; Pressures within temporary accommodation; and the delivery of 250 new council homes within the administration (2014-2018).
- 8.15 Key issues discussed with the Cabinet Member for Economic Development, Social Inclusion and Sustainability included: The work that was taking place to establish a District Energy Network for North Tottenham; Regeneration in Wood Green, including the investment framework and Area Action Plan; The development of BIDs in partnership with local businesses; The importance of bringing new activities, cultural events and entertainment to Wood Green.

Other Issues

- 8.16 In addition to the issues above, the panel also scrutinised a number of issues at meetings, including: Viability assessments; Use of right-to-buy receipts; An update on additional, mandatory and selective licensing; Tottenham and Wood Green Regeneration Programmes, including consideration of lessons learnt; Updates on two previous scrutiny projects concerning Council Led Development and governance arrangements for the Community Infrastructure Levy; Supporting engagement and involvement in the local planning system.
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9a. North Central London Joint Health OSC

North Central London Joint Health Overview & Scrutiny Committee (JHOSC)

- 9.1 Haringey is a part of a joint health overview and scrutiny committee covering the boroughs of Barnet, Enfield, Camden, Haringey and Islington. Each borough has two representatives on the Committee. Haringey's representatives were Cllrs Pippa Connor (Vice-Chair) and Charles Wright. The Committee was established to scrutinise health issues common to all of the five boroughs. Amongst the issues discussed this year at the JHOSC were the following:

North Central London Sustainability and Transformation Plan

- 9.2 The most significant issue for the Committee in the past year has been the Sustainability and Transformation Plan (STP) for North Central London, which it has examined in detail. This is a comprehensive plan that has been developed by health and social care partners in the area and which sets out how local services in the area will be transformed and become sustainable over the next five years. In particular, it aimed to address the potential shortfall in funding of £800 million if no action is taken. The Committee has considered both the plan and the process for developing it and made recommendations to health and social care partners on a range of issues including;

- Transparency, engagement and governance;
- Finance;
- Adults social care;
- Digital services;
- Mental health; and
- Estates

Whittington LUTS Clinic

- 9.3 The Committee has continued to work with patients from the Lower Urinary Tract Services (LUTS) clinic at Hornsey Clinic and as Whittington Health, who provide the service, to re-establish the service following its temporary closure in 2015. In addition, it also considered measures to ensure its continuation following the retirement of its consultant.

Whittington Estates Strategy

- 9.4 The Committee has looked in detail at plans by Whittington Health to rationalise and develop estates to ensure that all of its sites are fit for purpose and able to meet future needs. In particular, the Committee considered and made comments on engagement with the local community, transparency and the need to ensure that plans complement those within the STP.

London Ambulance Service (LAS) Report on Hospital Handover Times

- 9.5 The Committee considered ambulance handover times for north central London. Concern was expressed at long waits that some patients could experience in waiting for an ambulance and delays in transferring them to a hospital. There were also issues arising from ambulances from the East of England being diverted to hospitals in the area.

Review of Adult Immunisation and Screening Programmes

- 9.6 The Committee received a report on the adult immunisation and screening programmes in North-Central London in response to concerns at the low levels in the sub-region. The concerns were echoed by officers, who outlined actions that were being made to remedy this including measures to increase take up of diabetic eye screening, influenza vaccination and bowel and breast cancer screening.

Royal Free - Relationship with North Middlesex

- 9.7 The Committee considered the development of a partnership between the North Middlesex Hospital and the Royal Free Group. It noted the concerns that had been expressed by Enfield Councillors at the potential long term implications for the A & E service at the hospital and their wish that key performance indicators be provided for each of the individual sites within the Royal Free Group.

9b. Barnet, Enfield and Haringey Sub Group

- 9.8 In addition to work carried out by the “parent” JHOSC, representatives from Haringey worked closely with colleagues from Barnet and Enfield to address concerns relating to North Middlesex University Hospital NHS Trust and Barnet, Enfield and Haringey Mental Health NHS Trust.
- 9.9 During the year one formal sub group meeting was held. In addition, representatives from the sub group and members from Haringey’s Adults and Health Scrutiny Panel attended briefings, meetings and seminars to better understand issues across both Trusts.

Barnet, Enfield and Haringey Mental Health NHS Trust

- 9.10 In May the sub group met to provide feedback on the Trust’s Draft Quality Account for 2016/17. [It was evident from the meeting on 5th May that priorities highlighted by the Trust](#) built upon those identified in previous years. Members were also pleased that previous comments from the sub group had been adopted and included. It was noted that the Development Action Plan, produced following a CQC inspection was reflected in the documents and by reducing agency costs from £1.2m to £700,000, it was acknowledged a greater continuity of staff now existed.
- 9.11 In addition to providing comments on the structure and content of the account itself, the sub group noted, with concern, the current financial deficit of £12m. Savings proposals include a further reduction in agency costs, rationalisation of estates, a review of procurement processes and a review of back-office functions in conjunction with the Mental Health Trust Alliance. Comments from the Lead Commissioner, Enfield CCG, highlighted an equally challenging financial position.
- 9.12 The sub group meeting also provided an opportunity to scrutinise specific funding relating to the redevelopment of the St Ann’s site, along with issues associated with Delayed Transfers of Care (DToC). The predominant reasons for DToC are access to housing and access to social care. With this in mind, it was agreed that the issue of DToC should be subject to discussion at the wider JHOSC, with figures provided for each borough.

North Middlesex University Hospital NHS Trust

- 9.13 Following an unannounced inspection by the CQC, the Chief Inspector of Hospitals published a report in 2016 concerning urgent and emergency care services at North Middlesex University Hospital, with services being rated as inadequate.
- 9.14 With this in mind, scrutiny members took a keen interest in these issues during 2016/17, especially in terms of A&E performance. Following an initial update at the Adults and Health Scrutiny Panel in July, and in order to gain a better understanding, members from Haringey were invited to attend, and take part in, two meetings hosted by Enfield Council. Various issues were considered in response to actions taken by the Trust. These are summarised in minutes from meetings held during 2016/17, available via the links below:
- [Haringey's Adults and Health Scrutiny Panel \(11 July 2016\)](#)
 - [Enfield's Health Scrutiny Standing Panel \(5 October 2016\)](#)
 - [Enfield's Health Scrutiny Standing Panel \(5 January 2017\)](#)
- 9.15 During the year representatives from Haringey also took part in workshops relating to the Trust's Quality Account. Scrutiny members agreed that the Trust's theme of "Consistency and Sustainability" was appropriate in order to underpin priorities for 2017/18. In addition, consideration was given to a range of issues including patient safety, clinical effectiveness, patient experience and staff experience.
- 9.16 The issues above will be kept under close review during 2017/18.
-

10. Budget Scrutiny

- 10.1 Over the past year, the Overview and Scrutiny Committee undertook efforts to ensure effective financial scrutiny at each of the three stages – budget setting, expenditure monitoring, outturn reviewing. These efforts included training for Members, scrutiny of in-year expenditure and the positive response of Cabinet to scrutiny recommendations in the setting of the new Medium Term Financial Strategy (MTFS).
- 10.2 As part of the Council's governance arrangements for the development of the new MTFS, Overview and Scrutiny considered savings proposals that were presented to the December 2016 Cabinet.
- 10.3 Following consideration by Cabinet, all four Scrutiny Panels met in December to scrutinise the draft budget proposals that fell within their portfolio areas:
- Children and Young People Scrutiny Panel (Priority 1)
 - Adults and Health Scrutiny Panel (Priority 2)
 - Environment and Community Safety Scrutiny Panel (Priority 3)
 - Housing and Regeneration Scrutiny Panel (Priority 4 and Priority 5)
- 10.4 In addition, the Overview and Scrutiny Committee met on 17 January to consider proposals relating to Priority X (Enabling).
- 10.5 Cabinet Members, senior officers and finance leads were in attendance at each meeting to present proposals and to respond to questions from members. For some of the proposals, additional information was requested. This was considered by the Overview and Scrutiny Committee on 30 January, along with emerging recommendations from each Panel, ahead of final recommendations being agreed and referred to Cabinet.
- 10.6 Key recommendations from scrutiny included removal of the following savings proposals:
- Proposal 2.3 - Fees & Charges – Disability Related Expenditure – saving of £129k for 2017/18;
 - Proposal 2.3 - Fees & Charges – Transport Day Opportunity with a saving of £61k for 2017/18;
 - Proposal 3.10 - New Parking Operating Model - saving of £920k for 2018/19;
 - Proposal 6.6 - Reduce Opening Hours in our six branch libraries to 36 hours per week – saving £150k for 2017/18
- 10.7 The final recommendations from the Overview and Scrutiny Committee, were considered by Cabinet at its 14 February meeting. The response from Cabinet to all recommendations can be found via the link below:

[Scrutiny Recommendations with Cabinet Response \(14 February 2017\)](#)

11. How to get involved

- 11.1 Public engagement and involvement is a key function of scrutiny and local residents and community groups are encouraged to participate in all aspects of scrutiny from the development of the work programme to participation in project work. For this purpose, all formal meetings of the Overview and Scrutiny Committee and the four scrutiny panels are held in public and everyone is welcome to attend.
- 11.2 As well as attending a scrutiny meeting, there are a number of ways in which local people can be actively involved in the scrutiny process.

Suggest a topic for review

- 11.3 Members of the public and community groups can suggest topics for possible scrutiny review. Please use the [scrutiny suggestion form \(Word, 52KB\)](#) to suggest a topic for inclusion within the scrutiny work programme.

Being a witness

- 11.4 Like parliamentary select committees, a range of individuals may be asked to give evidence to support scrutiny reviews. This may include service users and community stakeholders, as well as service providers, policy makers, managers and people who have some knowledge or expertise of the area under consideration.
- 11.5 The ways in which evidence is collected will vary, but may include online surveys, focus groups or public meetings. Details of current scrutiny projects and how you can participate can be viewed on the [scrutiny consultation page](#).

Asking questions

- 11.6 The Overview and Scrutiny Committee or scrutiny panels may call a Member of the Cabinet and chief officer (such as a service Director) to answer questions on the performance, policy plans and targets for their portfolio or service. The Committee or relevant scrutiny panel may also call local NHS executives to account for policy and performance issues in the health sector. Representatives from other local public services (for example, police service, fire service, housing associations or Jobcentre Plus) may also be invited to scrutiny meetings where appropriate.
- 11.7 Members of the public can also raise questions about a subject being scrutinised and can submit questions in writing to be asked of executive councillors and chief officers called before the Overview and Scrutiny Committee or panels.
- 11.8 Questions should be sent in writing at least 5 clear working days in advance of the meeting. Questions can be sent by email or post to the Democratic Services Manager, or the appropriate committee or panel support officer.
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Appendix 1

Overview & Scrutiny Remits and Membership 2016/17

Scrutiny Body	Areas of Responsibility	Cabinet Links
Overview & Scrutiny Committee Cllr Charles Wright, Chair	Communications; Corporate policy and strategy; Council performance; External partnerships; Strategic transport; Growth and inward investment; Capital strategy	Cllr Claire Kober, Leader of the Council
	Libraries; Customer Services; Customer Transformation Programme; Culture	Cllr Bernice Vanier, Deputy Leader, and Cabinet Member for Customer Services and Culture
	Council finances and budget	Cllr Jason Arthur, Cabinet Member for Finance and Health
	Equalities; The voluntary sector; Community Strategy	Cllr Eugene Ayisi, Cabinet Member for Communities
	Corporate programme; Council IT shared services; Procurement & commercial partnerships; Corporate governance; Shared Service Centre; Council HR & staff wellbeing; Accommodation Strategy; Community buildings; Corporate property	Cllr Ali Demirci, Cabinet Member for Corporate Resources
	Growth strategy delivery; Social inclusion	Cllr Joe Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability
Adults & Health Scrutiny Panel Cllr Pippa Connor, Chair	Public Health; Health devolution pilots; Safeguarding adults; Adults with disabilities and additional needs; Adult social care; Health and social care integration and commissioning; Working with CCG and NHS	Cllr Jason Arthur, Cabinet Member for Finance and Health
	Tackling unemployment and worklessness; Adult learning and skills	Cllr Joe Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability
Children & Young People Scrutiny Panel	Schools and education; Safeguarding children; Early years and child care; Adoption and fostering; Looked-after children; Children with disabilities and additional needs; Children to adult social care transition	Cllr Elin Weston, Cabinet Member for Children and Families

Scrutiny Body	Areas of Responsibility	Cabinet Links
Cllr Kirsten Hearn, Chair	Post 16 education	Cllr Joe Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability
	Youth services and youth offending	Cllr Eugene Ayisi, Cabinet Member for Communities
Environment & Community Safety Scrutiny Panel	Recycling, waste and street cleaning; Highways; Parking; Parks and open spaces; Leisure and leisure centres; Licensing (environmental and HMO); Enforcement (environmental and planning)	Cllr Peray Ahmet, Cabinet Member for Environment
Cllr Makbule Gunes, Chair	Community safety; Engagement with the Police; Tackling antisocial behaviour; Violence Against Women and Girls	Cllr Eugene Ayisi, Cabinet Member for Communities
Housing & Regeneration Scrutiny Panel	Regeneration in Tottenham; Planning policy; Planning applications and development management; Building Control; Housing Investment Programme; Housing strategy and delivery; Partnerships with Homes for Haringey and social landlords	Cllr Alan Strickland, Cabinet Member for Housing, Regeneration and Planning
Cllr Emine Ibrahim, Chair	Regeneration in Wood Green; Sustainability and carbon reduction	Cllr Joe Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability

Further information

Overview and Scrutiny Committee

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Report for: Overview and Scrutiny Committee, 17 July 2017

Title: Overview and Scrutiny Work Programme 2017/18

Report

authorised by : Michael Kay, Democratic Services and Scrutiny Manager

Lead Officer: Christian Scade, Principal Scrutiny Officer

Tel: 020 8489 2933, Email: christian.scade@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: N/A

1. Describe the issue under consideration

- 1.1 Following a wide ranging consultation exercise, this report outlines the indicative 2017/18 scrutiny work programme for approval by the Overview and Scrutiny Committee (OSC).

2. Recommendations

- 2.1 That the Committee:

- (a) Discuss and agree the indicative scrutiny work programme for the scrutiny panels 2017/18 attached at Appendix 1, having considered the Committee's work programme at its June meeting.
- (b) Discuss and agree the draft scope and terms of reference for the Committee's inquiry into Fire Safety in High Rise Buildings and the Environment and Community Safety's review on Parks, as set out at Appendix 2.
- (c) To note the briefing for Members on suicide prevention, as attached at Appendix 3. This follows the letter from the Chair of the Commons' Health Select Committee on Councils' scrutiny role in relation to suicide prevention plans, and will be taken forward by the Adults and Health Panel.
- (d) To note that further review work will be prepared and draft scopes referred to the Committee at future meetings.

3. Reasons for decision

- 3.1 The OSC is responsible for developing an overall work plan, including work for its standing scrutiny panels. In putting this together, the Committee will need to have regard to their capacity to deliver the programme and officers' capacity to support them in that task.

Alternative options considered

- 3.2 As set out in the equivalent report for the parent committee, the Panels could have held a scrutiny café event, as has been held in previous years. However, given that this is the final municipal year of this administration, it was felt that panels have already identified issues for consideration, and have been able to supplement this with engagement with stakeholders.

4. Background information

- 4.1 Each year, the OSC is responsible for developing an overall scrutiny work programme, including work for its four standing scrutiny panels.

Selection and Prioritisation

- 4.2 The careful selection and prioritisation of work is essential if the scrutiny function is to be successful, achieve added value and retain credibility. A summary of what needs to be done to develop a successful work programme is provided below.

An effective scrutiny work programme should reflect a balance of activities

- Holding the Executive to account
- Policy review and development – reviews to assess the effectiveness of existing policies or to inform the development of new strategies
- Performance management – identifying under-performing services, investigating and making recommendations for improvement
- External scrutiny – scrutinising and holding to account partners and other local agencies providing key services to the public
- Public and community engagement – engaging and involving local communities in scrutiny activities and scrutinising those issues which are of concern to the local community

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Key features of an effective work programme

- A member led process, short listing and prioritising topics – with support from officers – that:
 - reflects local needs and priorities – issues of community concern as well as Corporate Plan and Medium Term Financial Strategy priorities
 - prioritises topics for scrutiny that have most impact or benefit
 - involves local stakeholders

- is flexible enough to respond to new or urgent issues

4.3 Depending on the selected topic, and planned outcomes, scrutiny work will be carried out in a variety of ways, using various formats. This will include a variety of one-off reports.

4.4 In addition, in-depth scrutiny work, including task and finish projects, are an important aspect of Overview and Scrutiny and provide opportunities to thoroughly investigate topics and to make improvements. Through the gathering and consideration of evidence from a wider range of sources, this type of work enables more robust and effective challenge as well as an increased likelihood of delivering positive outcomes. In depth reviews should also help engage the public, and provide greater transparency and accountability. It is nevertheless important that there is a balance between depth and breadth of work undertaken so that resources can be used to their greatest effect.

5. Budget Scrutiny Arrangements

5.1 The Council's Overview and Scrutiny Procedure Rules (Constitution, Part 4, Section G) state: "The Overview and Scrutiny Committee shall undertake scrutiny of the Council's budget through a Budget Scrutiny process". The procedure by which this operates is detailed in the Scrutiny Protocol.

5.2 Following the report to the June meeting of the Committee, it was agreed that the same budget scrutiny procedure be followed as last year. This means that the Panels will have an important role in the consideration of budget proposals, with the main Committee considering Priority X (with the Deputy Chair presiding), and then the overall package of recommendations following the contributions of panels.

6. Monitoring the Work Programme

6.1 Once the work programme is agreed, there are both formal and informal systems in place to ensure effective monitoring of the work programme. Regular agenda planning meetings (with the Chair and senior officers) and discussion at Committee give an opportunity to discuss the scope and approach to the area of inquiry.

7. Contribution to strategic outcomes

7.1 The individual issues included within the 2017/18 work programme were identified following consideration by relevant Members and officers of the priorities within Haringey's Corporate Plan (2015-18). Their selection was specifically based on their potential to contribute to strategic outcomes.

8. Statutory Officers comments

Finance and Procurement

8.1 There are no financial implications arising from the recommendations set out in this report. Should any of the work undertaken by Overview and Scrutiny

generate recommendations with financial implications these will be highlighted at that time.

Legal

- 8.2 There are no immediate legal implications arising from the report.
- 8.3 In accordance with the Council's Constitution, the approval of the future scrutiny work programme falls within the remit of the OSC.
- 8.4 Under Section 21 (6) of the Local Government Act 2000, an OSC has the power to appoint one or more sub-committees to discharge any of its functions. In accordance with the Constitution, the appointment of Scrutiny Panels (to assist the scrutiny function) falls within the remit of the OSC.
- 8.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the Overview and Scrutiny Committee. Such reports can then be referred to Cabinet or Council under agreed protocols.

Equality

- 8.6 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 8.7 The Committee should ensure that it addresses these duties by considering them within its work plan and those of its panels, as well as individual pieces of work. This should include considering and clearly stating;
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to services and fair representation of all groups within Haringey;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

- 8.8 The Committee should ensure that equalities comments are based on evidence. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

9. Use of Appendices

Appendix 1: Indicative Scrutiny Work Programme 2017/18

Appendix 2: Scoping documents for reviews on Fire Safety by the OSC, and Parks by the Environment and Community Safety Panel

Appendix 3: Briefing note on Suicide Prevention

10. Local Government (Access to Information) Act 1985

- 10.1 External web links have been provided in this report. Haringey Council is not responsible for the contents or reliability of linked websites and does not necessarily endorse any views expressed within them. Listings should not be taken as an endorsement of any kind. It is your responsibility to check the terms and conditions of any other web sites you may visit. We cannot guarantee that these links will work all of the time and we have no control over the availability of the linked pages.

Adults and Health Scrutiny Panel – Work Programme 2017/18

Meeting	Agenda Items	Details and desired outcome	Lead Officer / Witnesses
29 June 2017	Terms of Reference / Membership	To set out the terms of reference and membership for Overview and Scrutiny	Christian Scade, Principal Scrutiny Officer
	Appointment of Non Voting Co-opted Member	To appoint Helena Kania as a non-voting co-opted Member of the Panel for 2017-18	Christian Scade, Principal Scrutiny Officer
	Update and Lessons Learnt from the Physical Activity for Older People Scrutiny Project	To provide an update on the Cabinet Response and to consider lessons learnt from the review (methodology, outcomes, barriers etc).	Jeanelle de Gruchy, DPH Christian Scade, Principal Scrutiny Officer
	Work Programme Development	To receive an update on the work programme development process with officer input at the meeting (no Scrutiny Cafe this year)	Christian Scade, Principal Scrutiny Officer
	P2 Transformation Update (Presentation)	To receive an update, via presentation, on the funding and resources available for P2. This will include updates on BCF, the model for Day Opportunities and how the social care precept is being used.	Beverley Tarka, Director Adult Social Services John Everson, AD, Adult Social Services Charlotte Pomery, AD Commissioning
	Urgent Item on Osbourne Grove	Update following the recent Cabinet Member signing	Beverley Tarka, Director Adult Social Services
10 October 2017	Future Model of Health and Care in Haringey	An update on the Design Framework – with case studies. This will build on the AHSP meeting in September 2016 and the MLD sessions that took place during 2016/17 on ITOM.	John Everson, AD, Adult Social Services

Appendix 1 – Adults and Health

Meeting	Agenda Items	Details and desired outcome	Lead Officer / Witnesses
	NCL JHOSC Update	Verbal update from the Chair on work being led by the NCL JHOSC	Cllr Connor
	Cabinet Member Q&A	An opportunity to question relevant Cabinet Members on their areas of responsibility relevant to the Panel's ToFR.	Cllr Arthur, Cabinet Member for Finance and Health Cllr Vanier, Cabinet Member for Adult Social Care and Culture
	Foot Care Update (TBC)	An update for 2017/18 was requested at the September 2016 AHSP meeting If this update is required, this could be included as an information item for noting.	Charlotte Pomery, AD Commissioning Andrea Cronin, Commissioning Manager
16 November 2017	Budget Monitoring	An update on the financial performance of P2 Services (Adults Social Care, Commissioning & Public Health)	Cabinet Member, Finance and Health Beverley Tarka, Director Adult Social Services Dr. Jeanelle de Gruchy Director of Public Health Charlotte Pomery, AD Commissioning Paul Durrant, Senior Business Partner John Everson,

Meeting	Agenda Items	Details and desired outcome	Lead Officer / Witnesses
			AD, Adult Social Services
	NCL JHOSC Update	Verbal update from the Chair on work being led by the NCL JHOSC	Cllr Connor
Date TBC	Osbourne Grove	Update Item – timing / scope of item TBC	Beverley Tarka, Director Adult Social Services
	Adult Safeguarding	<p>Following scrutiny work undertaken over the last couple of years it is likely KLOE for this meeting will focus on “<i>what does good look like for an adult at risk?</i>”</p> <p>The items listed below will enable scrutiny to ask questions / look for evidence in terms of: continuity of relationships for the adult with professionals; adults at risk being heard and involved in decisions – “Nothing about me without me”; understanding the person; Safeguarding being personalised; partnership working – with the adult and between agencies; and professionals showing concerned curiosity and due regard.</p>	
	Care Quality Commission – Inspection Programme	An opportunity for Members of the panel to hear about the CQC’s strategic approach to their work as well as to understand issues and trends arising from (adult social care) inspections locally as they affect Haringey residents.	Charlotte Pomery, AD Commissioning Martin Haines, Inspection Manager, CQC
	Making Safeguarding Personal (MSP)	Details TBC	Dr Adi Cooper, Independent. Chair, Haringey SAB Beverley Tarka, Director Adult Social Services
	Safeguarding Adults Board –	Details TBC	Dr Adi Cooper,

Meeting	Agenda Items	Details and desired outcome	Lead Officer / Witnesses
14 December 2017	Annual Report 2016/17		Independent. Chair of Haringey's SAB Patricia Durr, SAB Business Manager
		The items above will need to ensure that the actions / issues arising from the meeting on 1 December 2016 are addressed.	
	Budget Scrutiny	Scrutiny of P2 Budget Proposals	Cabinet Member, Finance and Health Beverley Tarka, Director Adult Social Services Dr. Jeanelle de Gruchy Director of Public Health Charlotte Pomery, AD Commissioning John Everson, AD, Adult Social Services Paul Durrant, Senior Business Partner
	NCL JHOSC Update	Verbal update from the Chair on work being led by the NCL JHOSC	Cllr Connor

Appendix 1 – Adults and Health

Meeting	Agenda Items	Details and desired outcome	Lead Officer / Witnesses
8 March 2017	Community Wellbeing Framework	As discussed in March 2017 an update on the framework will be considered by the Panel in March 2018	Dr Tamara Djuretic, AD, Public Health
	NCL JHOSC Update	Verbal update from the Chair on work being led by the NCL JHOSC	Cllr Connor
	Physical Activity for Older People	Monitoring of previous recommendations following Cabinet's response in June 2017	Dr. Jeanelle de Gruchy Director of Public Health
	Cabinet Member Q&A	Review of the year	Cllr Arthur, Cabinet Member, Finance and Health Cllr Vanier, Cabinet Member for Adult Social Care and Culture

Project Work 2017/18 – Details TBC

PTO

FUTURE ITEMS TBC

Adult Packages of Care

- For further consideration following discussion at the November budget monitoring meeting.
- Information from the Corporate Delivery Unit was circulated to the Panel in November 2017.
- Details TBC

Meals on Wheels

- Feedback on the consultation exercise that was agreed by a Cabinet Member signing in June (date TBC)

Fees and Charges / Disability Related Expenditure

- Feedback on the consultation exercise that was agreed by a Cabinet Member signing in June 2017 (date TBC)
- In addition, as part of last year's budget scrutiny it was agreed that an update should be given to a future meeting of the Panel (date TBC) on the impact of the proposed revenue savings proposals. This should include monitoring of the EqIA action plan and consideration of how changes are monitored via annual care assessments.
- <http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=804&MId=7967&Ver=4>

Haringey Development Vehicles

- Health related issues and concerns relating to the HDV

Carers' Services/ Strategy Update

- As discussed in March 2017 under the Cabinet Member Q&A

Items to be considered / raised elsewhere:

NCL JHOSC / BEH Sub Group

- North London Partners in Health & Care, Sustainability and Transformation Plan (STP)
- Quality Accounts for Healthcare providers, including the North Middlesex University Hospital NHS Trust, and BEH Mental Health NHS Trust.

Suicide Prevention Plan – for consideration by OSC on 17 July 2017

- For further discussion based on the email below from the Centre for Public Scrutiny

“House of Commons Health Committee Advocates Role for Local Scrutiny of Suicide Prevention Plans

In December 2016, the Health Committee published an interim report on suicide prevention to inform the Government's updated suicide prevention strategy. The Government subsequently published its update to the strategy in the form of a progress report. Witnesses told the Committee's latest inquiry that the underlying strategy is essentially sound but that the key problem lies with inadequate implementation. 95% of local authorities now have a suicide prevention plan, but there is currently little or no information about the quality of those plans.

The Committee noted that there is a role for local scrutiny of implementation of suicide prevention plans in the first instance and considered that this local scrutiny could be a role for health overview and scrutiny committees within local authorities. The Committee has made a recommendation to Government that effective implementation of the suicide prevention plan in local areas should be a key role of health overview and scrutiny committees.”

**Children and Young People’s Scrutiny Panel
Work Plan 2017-18**

<p>1. Scrutiny review projects; These will be dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. It is very unlikely that there will be enough time to undertake more than two of these so a decision will need to be made on which of these to prioritise. Those areas not prioritised could instead be addressed through a “one-off” item at a scheduled meeting of the Panel if need be. These issues will be subject to further development and scoping.</p>		
Project	Comments	Priority
Support for Refugee children	<p>It is proposed that the review will consider the support that is available for refugee children arriving in Haringey, including:</p> <ul style="list-style-type: none"> • Support for refugee children in schools as well as for schools themselves; • Trauma and mental health issues; • What happens when refugee children reach the age of 18; • Families with no recourse to public funds; • How refugee children are placed within local authorities; • How expertise and learning is shared; and • Resource implications. 	1.
Restorative Justice	<p>It is proposed that the review focus on the following areas:</p> <ul style="list-style-type: none"> • Current use of restorative justice and how it could be extended; • Best practice examples elsewhere; and • Increasing take up and exposure amongst black and minority ethnic communities and especially young black men. 	2.

	Proposals are currently in the process of being developed by both the Youth Justice Board and the Early Help Partnership to extent the use of restorative justice and these are likely to be ready for discussion in December/January. It is therefore proposed that work on this issue be scheduled for later in the year.	
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2. **“One-off” Items; These** will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.

Date of meeting	Potential Items
29 June 2017	<ul style="list-style-type: none"> • Cabinet Member Questions; Cllr Weston (Children and Families) and Cllr Ayisi (Communities) • Work Planning. To agree the work plan for the Panel for this year. • Terms of Reference • CAMHS provision for BAME young people and, in particular, those who come into contact with the youth justice system
5 October 2017	<ul style="list-style-type: none"> • Financial Monitoring; To receive an update on the financial performance relating to Corporate Plan Priority 1. • Budget savings - Progress in delivering the savings and their impact upon service delivery. • Update on implementation of the recommendations of the Panel’s review on Disproportionality within the Youth Justice System

6 November 2017	<ul style="list-style-type: none"> • Cabinet Member Questions • Chair of LSCB & Annual Report
18 December 2017	<ul style="list-style-type: none"> • Budget scrutiny
8 March 2018	<ul style="list-style-type: none"> • Educational Attainment Performance; To report on educational attainment and performance for different groups, including children with SENDs. Data on performance broken down into different groups, including children with SENDs, as well as ethnicity, age, household income etc. To include reference to any under achieving groups. • Ethnic minority education attainment

TBA:

- Private fostering;
- Adoption and Special Guardianship Payments - Impact of the implementation of the refreshment of the payment policy;
- New Models of Care - Progress with the development of new models;
- Schools and Learning - Progress with the implementation of the budget proposals;
 - Action to address the recent increase in emotional and behavioural issues reported amongst children in primary schools, as referred to in the Panel's review on disproportionality within the youth justice system.

**Environment and Community Safety Scrutiny Panel
Work Plan 2017-18**

3. Major Projects; These will be dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. There is unlikely to be capacity to undertake more than two projects within the year. Areas which cannot be covered in this way can instead be addressed through a “one-off” item at a scheduled meeting of the Panel.

Project	Comments	Priority
Street sweeping	<p>As part of the savings proposals agreed as part of the Medium Term Financial Strategy for 2015-18, a reduction of £2.8 million was made in the Integrated Waste Management Contract. The frequency of street sweeping in residential roads was reduced from twice to once weekly, delivered over 5 days, as a result of this. The benefits of this universal approach were felt to be that;</p> <ul style="list-style-type: none"> • There was a consistency across the borough, with all wards receiving the same level of service; • It was easy to understand and explain; and • All residents were given an equal opportunity to prevent litter being dropped. <p>It was acknowledged that there was a risk arising from this that levels of cleanliness would be reduced and the Council would not meet its target for being in the top quartile for London on street cleanliness. The service reductions were implemented at the start of January 2016. Performance declined from January to April 2016 whilst the new cleanings schedules were settling in but subsequently improved, albeit not quite up to previous levels. There were issues on Homes for Haringey estates though and the twice weekly sweep to these areas was reinstated as a result of these.</p> <p>The review will consider, within the current level of costs, the options that are available to improve outcomes and whether there might be merit in moving to a system that is more responsive to levels of need. In doing this, the review will look at:</p> <ul style="list-style-type: none"> • Relevant performance data from Haringey, including resident satisfaction levels; • Volumes of rubbish collected in different parts of the borough; • Service models used by other boroughs and comparative performance levels; and 	1.

	<ul style="list-style-type: none"> • Housing estates and the work undertaken by Homes for Haringey; and • The outcome of the Team Noel Park pilot. <p>The terms of reference of the review are: “To consider and make recommendations on, within the current level of costs, the options available to improve the cleanliness of residential streets across the borough in order to achieve greater level of equality of outcome.”</p>	
Parks	<p>There is widespread agreement amongst parks groups across the country that parks and open spaces across are under threat. This is due to the cumulative effects of budget cuts which have impacted severely on their resources and left many local authorities struggling to maintain sites adequately. In Haringey, £1.4 million has been taken out of the budget already, with another £1.17 million is expected to be saved by 2018. The number of full time parks maintenance staff has also been reduced by 50% since 2012.</p> <p>Action has been taken by the Council to mitigate the effects of budget reductions through generating income, pursuing efficiency savings, adopting less maintenance heavy horticultural approaches and working with Community Payback. Parks are still well used and highly regarded by residents and make an invaluable contribution to the health, well-being and quality of life of the community. There are nevertheless further financial challenges that will need to be addressed and concern has been expressed by park users at the possibility that these may lead to decline. Deterioration could lead to parks attracting vandalism, anti-social behaviour and crime and less attractive and accessible to residents</p> <p>The recent report by the House of Commons Select Committee on public parks addressed many of these issues. The report highlights the benefits of having a formal plan or strategy and action is being undertaken to develop one for Haringey by the service, in collaboration with Public Health. The review would aim to feed into this process</p> <p>It is proposed that the review focus on;</p> <ul style="list-style-type: none"> • Maintenance of standards and support; • The wider benefits and contributions to Corporate Plan priorities that parks make; 	2.

	<ul style="list-style-type: none"> • Potential sources of funding; and • Effective protection from inappropriate development or commercialisation. 	
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4. “One-off” Items; These will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.

Date of meeting	Potential Items
26 June 2017	<ul style="list-style-type: none"> • Cabinet Member Q&A - Environment; To question the Cabinet Member for Environment on current issues and plans arising for her portfolio. • Appointment of Non-Voting Co-opted Member • Work Programme for the Forthcoming Year • Waste, recycling and street cleansing data • Scrutiny Review – Fear of Crime; Final Report
12 October 2017	<ul style="list-style-type: none"> • Cabinet Member Q&A – Communities; To question the Cabinet Member for Communities on current issues and plans arising for his portfolio. • Community Safety Partnership; To invite comments from the Panel on current performance issues and priorities for the borough’s Community Safety Partnership. To include the following: <ul style="list-style-type: none"> ○ Crime Performance Statistics - Update on performance in respect of the MOPAC priority areas plus commentary on emerging issues; and ○ Statistics on hate crime.

Appendix 1 – Environment and Community Safety

	<ul style="list-style-type: none"> • Update on implementation of recommendations of Scrutiny Review on Community Safety in Parks • Financial Monitoring; To receive an update on the financial performance relating to Corporate Plan Priority 3.
20 November 2017	<ul style="list-style-type: none"> • Cabinet Member Q&A - Environment; To question the Cabinet Member for Communities on current issues and plans arising for her portfolio. • Waste, recycling and street cleansing data • Team Noel Park Pilot • Transport Strategy • Update on implementation of recommendations of Scrutiny Review on Cycling
21 December 2017	<ul style="list-style-type: none"> • Budget Scrutiny
15 March 2018	<ul style="list-style-type: none"> • Cabinet Member Q&A – Communities; To question the Cabinet Member for Communities on current issues and plans arising from his portfolio.

Housing and Regeneration Scrutiny Panel – Work Programme 2017/18

Date	Agenda Item	Details / Desired Outcome	Lead Officer / Witnesses
22 June 2017	Terms of Reference and Membership	To note the terms of reference and membership for the Panel.	Christian Scade, Principal Scrutiny Officer
	Homelessness Supply and Demand	Presentation Homelessness Supply and Demand.	Denise Gandy, HFH Alan Benson, Housing Strategy and Commissioning Manager
	Cabinet Member Q&A	An opportunity to question Councillor Alan Strickland, Cabinet Member for Housing, Regeneration and Planning, on his portfolio.	Cllr Strickland, Cabinet Member for Housing, Regeneration and Planning
	Scrutiny Work Programme Development 2017/18	This report sets out how the foundations will be laid for targeted, inclusive and timely work on issues of local importance where scrutiny can add value.	Christian Scade, Principal Scrutiny Officer
	Urgent Item on Fire Safety	In response to the Glenfell Tower tragedy the Chair informed the Panel that an urgent item on fire safety would be considered.	Cllr Strickland, Cabinet Member for Housing, Regeneration and Planning
2 October 2017	Selective Licensing Update	This request was made following a verbal update to the Panel in February 2017 .	Eubert Malcolm, Head of Community Safety & Enforcement
	What does “Good Growth” mean for Haringey?	What does “Good Growth”, as a concept, mean for Haringey, especially in terms of people, place and prosperity.	Helen Fisher, Director of Regeneration Peter O'Brien, Area Regeneration Manager
	Viability Assessments – Scrutiny Project Update (Date TBC)	Monitoring of previous scrutiny recommendations following the Cabinet Response in January 2017 .	Emma Williamson, AD Planning
	HDV Update	Standing item for 2017/18.	Dan Hawthorn, Director of Housing and Growth

Appendix 1 – Housing and Regeneration Scrutiny Panel

Date	Agenda Item	Details / Desired Outcome	Lead Officer / Witnesses
	Scrutiny Project Work – Scoping Documents	To discuss and (formally) agree the scope/ terms of reference for project work below – see “project work”.	Christian Scade, Principal Scrutiny Officer
	Scrutiny Work Programme	Update – standing item.	Christian Scade, Principal Scrutiny Officer
7 November 2017	Budget Monitoring	An update on the financial performance / budget monitoring of services related to Priorities 4 and 5 of Haringey’s Corporate Plan.	Lyn Garner, Director of Regeneration, Planning & Dev Rita Bacheta, Senior Business Partner
	HDV Update	Standing item for 2017/18.	Dan Hawthorn, Director of Housing and Growth
	Scrutiny Work Programme	To consider and, where appropriate, update the Panel’s work programme for 2017/18	Christian Scade, Principal Scrutiny Officer
19 December 2017	Budget Scrutiny	To include scrutiny of the MTFS and HRA.	Cllr Strickland, Cabinet Member for Housing, Regeneration and Planning.
	HDV Update	Standing item for 2017/18.	Dan Hawthorn, Director of Housing and Growth
	Scrutiny Work Programme	To consider and, where appropriate, update the Panel’s work programme for 2017/18.	Christian Scade, Principal Scrutiny Officer
13 March 2018	HDV Update	To include monitoring of previous recommendations – from the interim report on governance and stage 2.	Dan Hawthorn, Director of Housing and Growth
	Scrutiny Work Programme	To review work carried out during 2017/18 and to highlight issues to be rolled over to 2018/19.	Christian Scade, Principal Scrutiny Officer

FUTURE ITEMS – details and/or timings to be confirmed

- Rolled over from 2016/17

- Consideration of performance against housing supply commitments within the Council's policy framework. This was suggested by OSC as part of the Sale of Land at Kerswell Close Call-In – [minutes available here](#)
- The work of the Decision Panel
- Older People Housing
- Supported Housing Review Update

New Items put forward for consideration during 2017/18

- Estate Renewal Schemes
- Homelessness and Rough Sleeping
- Preparation for the Homelessness Reduction Act
- Intermediate Housing Policy
- Private Rented Strategy

PROJECT WORK – to be scoped

In-depth Scrutiny Work

- A project will be scoped to focus on the conditions and attitudes towards social housing in Haringey.
- Consideration will be given to new and older housing across the borough
- To be scoped before the end of August with evidence gathering concluded before Christmas
- The membership for this review may include representatives from other Scrutiny Panels, including the Adults and Health Scrutiny Panel

Scrutiny in a Day

- To consider the impact of tall buildings and high density development on residents' way of life, including public health.
- This Scrutiny in a Day will take place towards the end of 2017 / early 2018
- The membership for this review may include representatives from the Adults and Health Scrutiny Panel

**Environment and Community Safety Scrutiny Panel
Parks - Draft Scope and Terms of Reference (2016/17)**

Review Topic	Review / Project Title
Rationale	<p>There is widespread agreement amongst parks groups across the country that parks and open spaces across are under threat. This is due to the cumulative effects of budget cuts which have impacted severely on their resources and left many local authorities struggling to maintain sites adequately. In Haringey, £1.4 million has been taken out of the budget already, with another £1.17 million is expected to be saved / additional income generated by 2018. The number of full time parks maintenance staff has also been reduced by 50% since 2012.</p> <p>Action has been taken by the Council to mitigate the effects of budget reductions through generating income, pursuing efficiency savings, adopting less maintenance heavy horticultural approaches and working with various partners. Parks are still well used and highly regarded by residents and make an invaluable contribution to the health, well-being and quality of life of the community. During this period resident satisfaction has remained high at 84% in 2016/17 and the number of Green flag parks has risen from 15 to 22. There are nevertheless further financial challenges that will need to be addressed and concern has been expressed by park users at the possibility that these may lead to decline. Deterioration could lead to parks attracting vandalism, anti-social behaviour and crime and less attractive and accessible to residents</p> <p>The recent report by the House of Commons Select Committee on public parks addressed many of these issues. The report highlights the benefits of having a formal plan or strategy and action is being undertaken to develop one for Haringey by the service, in collaboration with Public Health. The review would aim to feed into this process</p> <p>It is proposed that the review focus on;</p> <ul style="list-style-type: none"> • Maintenance of standards and support; • The wider benefits and contributions to Corporate Plan priorities that parks make; • Potential sources of funding; and • Effective protection from inappropriate development or commercialisation.

Appendix 2 – Scope of Environment and Community Safety’s review into parks

Scrutiny Membership	<p>Members of the Environment and Community Safety Scrutiny Panel will carry out this review:</p> <p>Councillors: Tim Gallagher (Chair), Barbara Blake, Clive Carter, Makbule Gunes, Bob Hare, Adam Jogee and Anne Stennett</p> <p>Co-optees/ Non Voting Member Ian Sygrave (Haringey Association of Neighbourhood Watches)</p>
Terms of Reference (Purpose of the Review/ Objectives)	<p>To consider and make recommendations to the Council’s Cabinet on the development of a strategy for the borough’s parks and open spaces and, in particular;</p> <ul style="list-style-type: none"> • Maintenance of standards and support; • The wider benefits and contributions to Corporate Plan priorities that parks make; • Potential sources of funding; and • Effective protection from inappropriate development or commercialisation.
Links to the Corporate Plan	<p>Priority 3 - A clean, well maintained and safe borough where people are proud to live and work</p>
Evidence Sources	<p>This will include:</p> <ul style="list-style-type: none"> • Performance data, including resident satisfaction levels; • Interviews with key officers, stakeholders and park user groups; • Information and data from other London boroughs, including those using different or innovative models of service.

Appendix 2 – Scope of Environment and Community Safety’s review into parks

Witnesses	<p>The following witnesses will be invited to take part in the review/submit evidence:</p> <ul style="list-style-type: none"> - Simon Farrow, Commissioning Manager, Public Realm, Commercial and Operations - Lewis Taylor, Parks Area Manager, Commercial and Operations - Dave Morris, Chair of Haringey Friends of Parks Forum - Jeanelle de Gruchy, Director of Public Health - Haringey Clinical Commissioning Group - Tony Leach, Parks for London - Peter O’Brien, Area Regeneration Manager, Tottenham Programme - Lee Valley Regional Park - Robby Sukhdeo, Pavilion Sport and café - The Conservation Volunteers
Methodology/Approach	<p>A variety of methods will be used to gather evidence from the witnesses above, including:</p> <ul style="list-style-type: none"> - Desk top research - Evidence gathering sessions with witnesses - Site visits

Appendix 2 – Scope of Environment and Community Safety’s review into parks

Equalities Implications	The review will consider to what extent current provision meets the needs of all sections of the community, including young people, people with disabilities, older people and emerging communities.
Timescale	The review would aim to complete receiving evidence by the end of December 2017 with a view to reporting to the final meeting of the Overview and Scrutiny Committee of the year on 26 March 2018.
Reporting arrangements	The Director for Commercial and Operations will coordinate a response to Cabinet to the recommendations.
Publicity	The project will be publicised through the scrutiny website and scrutiny newsletter providing details of the scope and how local people and community groups may be involved. The outcomes of the review will be similarly published once complete.
Constraints / Barriers / Risks	Risks: Not being able to get key evidence providers to attend on the agreed date of evidence gathering. Not being able obtain evidence from key informants e.g. local authorities
Officer Support	Lead Officer; Robert Mack, Scrutiny Policy Officer, 0208 489 2921 rob.mack@haringey.gov.uk Service Contact: Zoe Robertson, Head of Commissioning & Client, Commercial & Operations

Overview and Scrutiny Committee

Fire Safety in High Rise Blocks - Draft Scope and Terms of Reference (2017/18)

Rationale	<p>Following the tragic fire at Grenfell Tower of 13/14 June 2017, the Overview and Scrutiny Committee are looking to ensure that residents of high rise blocks in Haringey can be confident their homes are safe from fire.</p> <p>While the full lessons from Grenfell tower will not be known until the conclusion of the announced Public Inquiry, some of the early emerging issues can be explored with the Council and Homes for Haringey in relation to existing arrangements and action taken post-Grenfell.</p>
Scrutiny Membership	<p>The Overview and Scrutiny Committee – Councillors Wright (Chair), Connor (Vice Chair), Gallagher, Hearn and Ibrahim.</p>
Terms of Reference (Purpose of the Review/ Objectives)	<p>Focussing on the 54 high rise blocks (over six storeys, residential in the first instance) owned by Haringey, housing association housing and privately owned homes where the Council has responsibility for building control, the review will consider the following:</p> <ul style="list-style-type: none"> • Building Safety: <ul style="list-style-type: none"> ○ how has the Council satisfied itself that its buildings and high-rise buildings in the Borough are safe from fire, including construction materials, containment, ventilation, evacuation routes, safety systems (eg, sprinklers and alarms)? ○ What action has been identified and taken to date in response to Grenfell? ○ How is building safety monitored, including housing management policies and procedures? ○ How is fire safety for high rise blocks featured in the Council’s planning policy and building control responsibilities? ○ What is the Council and ALMO’s assessment of the effectiveness and application of current building regulations? Are there sufficient resources for enforcement? • Engagement – How are residents engaged with in relation to fire safety, including awareness of procedures in the event of a fire and responding to concerns about fire safety? • Access – Are the needs of residents with disabilities known and how are they reflected in fire safety arrangements and evacuation procedures? • Procurement – what weight is attached to safety against other considerations in considering tenders for building works? • Emergency Planning – how prepared is the Borough to coordinate the response to a major incident? • Governance – are the current decision-making, accountability and scrutiny arrangements for the ALMO adequately considering issues of fire safety?

Appendix 2 – Scope of Overview and Scrutiny Committee’s review into Fire Safety in High Rise Buildings

Links to the Corporate Plan	Priority 3 – Clean and Safe: <i>A clean, well maintained and safe borough where people are proud to live and work</i>
Evidence Sources	This will include: <ul style="list-style-type: none"> • Evidence from witness sessions • Submissions from housing providers to CLG
Witnesses	The following witnesses will be invited to take part in the review/submit evidence: <ul style="list-style-type: none"> • Assistant Director for Planning • Cabinet Member for Housing, Regeneration and Planning • Homes for Haringey interim Chief Executive and Executive Director for Operations • Housing Associations that are Preferred Partners (ie, L&Q, Sanctuary, Family Mosaic/Peabody, Newlon, Clarion) • Borough Fire Commander
Methodology/Approach	A combination of evidence sessions and information from the Council/ALMO/providers
Equalities Implications	To be considered as a core aspect of the work, in particular people with disabilities, young children, and difficult to reach groups (eg, lower levels of English)
Timescale	Work to commence in July, report to be considered September.
Reporting arrangements	Report to Cabinet
Publicity	To accompany report
Constraints / Barriers / Risks	Constraint – potential to cut across Government-driven reviews Risks: <ul style="list-style-type: none"> - focus on potentially marginal causes based on press coverage of Grenfell Tower, with more significant or relevant information to follow, particularly from the public inquiry. - Create uncertainty or concern for residents
Officer Support	Lead Officer: Michael Kay Service Contact: Alan Benson (Haringey), Chris Liffen (Homes for Haringey)

Appendix 3 – Briefing note on Suicide prevention

Haringey's Suicide Prevention Planning

Summary

In Haringey, local suicide prevention planning includes following components:

- Considering suicide prevention more generally within our priority in the health and wellbeing strategy or improving mental health and wellbeing; under the leadership of Cllr Jason Arthur, cabinet member for finance and health;
- Understanding data on suicide including a **local suicide audit** to reveal the pattern of suicides, groups at risk and factors relevant to suicide prevention planning and using Public Health England Suicide Prevention Profile;
- A **multi-agency suicide prevention group** chaired and led by MIND in Haringey. The group includes statutory and voluntary organisations and NHS Trusts to support the development and implementation of suicide prevention interventions;
- A **suicide prevention action plan** based on the national strategy and local intelligence on suicide risk. Suicide Prevention Action Plan was signed off by the Health and Wellbeing Board in March 2017 and can be accessed via following link
<https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=771&MId=7860&Ver=4>

Suicide audit, trends and risk factors

In 2012-2014, Haringey had the highest 3-year average suicide rate in London at 11.8 per 100,000 (ONS, 2015). However, recently published data suggest decreasing trend with a rate of 10.8 per 100,000 for 2013-2015 (sixth highest in London after Camden, Islington, Hammersmith and Fulham and Southwark). There are, on average, 24 people a year who complete suicide in Haringey.

Haringey Public Health intelligence team undertakes regular suicide audits and has recently carried out a 2016 Suicide Audit, using coroner's reports and data to identify recent patterns and explain trends in suicide in the local area and inform local prevention planning. Audits help us to identify specific risk groups locally that may differ from regional and national trends. This audit included in-depth information review of each suicide case over the last ten years or so. The audit found several salient features of deaths by suicide including:

- 75% of deaths were men, the highest rate being among men aged 25-44;
- Only half of those who died by suicide had a record of employment. Of those, 35% were amongst those in "higher managerial, admin and professional occupations". e.g. financial advisor or head-teacher, followed by 24% in routine and manual;
- Following 18% of people completing suicide were retired and further 12% were students;
- 66% of suicides took place in the east of the borough;
- The main method of suicide was hanging and main places were homes followed by train stations.

Those particularly at risk in Haringey include young and middle aged men in employment, those experiencing various forms of crisis (e.g. financial, relationship, housing or health problems), those with mental health conditions and those with limited or late access to health services. Haringey Public Health has met with both Enfield and Barnet, who have replicated Haringey's audit as best practice, with the aim of compiling findings for a more accurate picture of suicide across North London. Our audit methodology has now been replicated across London as best practice too.

Local suicide prevention group and suicide prevention plan

The Haringey Suicide Prevention Group (HSPG) was formed in June 2015 to strengthen community response to suicide prevention planning and implementation. The Group, which is chaired by MIND in Haringey (Professor David Mosse), meets on a quarterly basis and has broad membership from statutory and non-statutory organisations including: Haringey Public Health, Children's Services, the CCG, Met Police, Barnet, Enfield and Haringey Mental Health Trust, British Transport Police, local

Appendix 3 – Briefing note on Suicide prevention

charities (including North London Samaritans). Haringey MPs David Lammy (Tottenham) and Catherine West (Wood Green and Hornsey) attended the group and workshops on few occasions, invited by MIND chair.

HSPG has recently coordinated development of Haringey's Suicide Prevention Plan using the PHE prevention guidelines published recently. The Plan is geared towards the high-risk and vulnerable groups identified in the Audit. It has set actions for members to address the mental health and risk of suicide in specific groups by: reducing access to the means of suicide (e.g. Archway Bridge); addressing the vulnerability and mental health issues in particular community settings (e.g. Eastern European migrants); supporting those bereaved or affected by suicide; working with the media to prevent harmful exposure; and expanding and improving the systematic collection of and access to data on suicides. Wider actions on mental health and wellbeing prevention recommended by Public Health England manual, such as training programmes for schools that include self-harm prevention component, community mental health and wellbeing interventions in more deprived areas of Haringey etc. are picked up by implementation of Haringey's Health and Wellbeing Strategy.

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16th May 2017

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