

NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

**Monday, 29th January, 2018, 7.00 pm - Civic Centre, High Road,
Wood Green, N22 8LE**

Members: Councillors Charles Wright (Chair), Pippa Connor (Vice-Chair),
Kirsten Hearn, Emine Ibrahim, 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 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 - 6)

To agree the minutes of the meeting on 11th January 2018.

7. MINUTES OF SCRUTINY PANEL MEETINGS (PAGES 7 - 24)

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

Children and Young People Scrutiny Panel - 18 December 2017.
Environment and Community Safety -21 December 2017.
Adults & Health Scrutiny Panel – 14 December 2017 (to follow).
Housing and Regeneration Scrutiny Panel – 19 December.

8. TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 - 2020/21 (PAGES 25 - 62)

9. BUDGET SCRUTINY RECOMMENDATIONS (PAGES 63 - 172)

10. REVISED SCRUTINY PANEL MEMBERSHIP (PAGES 173 - 176)

11. NEW ITEMS OF URGENT BUSINESS

12. FUTURE MEETINGS

Philip Slawther, Principal Committee Co-ordinator

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Bernie Ryan

Assistant Director – Corporate Governance and Monitoring Officer

River Park House, 225 High Road, Wood Green, N22 8HQ

Friday, 19 January 2018

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NOTICE OF MEETING**OVERVIEW AND SCRUTINY
COMMITTEE**

**Thursday, 11th January, 2018, 7.00 pm - Civic Centre, High Road,
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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

37. 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.

38. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Hearn.

Apologies for lateness were received from Cllr Gallagher.

39. URGENT BUSINESS

There were no items of urgent business

40. DECLARATIONS OF INTEREST

There were no declarations of interest.

41. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

There were no deputations, petitions, presentations or questions received.

42. MINUTES

The Committee advised that Paragraph 30.f on page 4 of the minutes should reflect that the under spend forecast of £108m consisted of £89m on the General Fund capital budget and £19m on the HRA capital budget.

RESOLVED

That the Committee agreed the minutes of the 21st November as a correct record of the meeting, subject to the above change.

43. MINUTES OF SCRUTINY PANEL MEETINGS

RESOLVED

That the Committee received and noted the draft minutes of the following scrutiny Panels and approved the recommendations contained within:

- I. Children and Young People Scrutiny Panel, 6th November 2017.
- II. Adults & Health Scrutiny Panel, 10th October 2017.
- III. Housing and Regeneration, 2nd October.

44. SCRUTINY OF THE DRAFT 5 YEAR MEDIUM TERM FINANCIAL STRATEGY - PRIORITY X

Cllr Wright handed over to Cllr Connor as Chair for Items 8 and 9 on Budget Scrutiny, as per Paragraph 7.4 of the Overview and Scrutiny procedure rules.

The Assistant Director of Transformation and Resources gave an update on Priority X to the Committee. The following points were noted:

- a. Priority X included a range of services across enabling functions such as the Shared Service Centre which included; Revenue and Benefits, Customer Services, Transformation and Resources, the Corporate Delivery Unit, IT and Libraries. Priority X also included the Chief Executive's Office as well as the Communications team. The Committee was advised that the total budget for Priority X was £34.5 m.
- b. Over the last three years there had been an around 30% reduction the budget for the Shared Service Centre, with another 30% reduction being sought over the next 5 years.
- c. The majority of the savings agreed in Priority X for the MTFS period were agreed last year and the AD Transformation and Resources commented that this was reflected in the fact that there were only 3 savings put forward for 2018/19-2022/23.
- d. The Committee sought clarification on the progress received to date on the pre-agreed savings within Priority X. In response, Richard Grice advised that a detailed business case was being developed around the £3.2m savings within Shared Services and the additional £1m saving within Customer Services. It was anticipated that the business case would be available by the end of March. The AD Transformation and Resources advised the Committee that a lot of the savings within Priority X related to technology based investments and that they were seeking to bring about an increased level of online customer contact.

- e. In response to a question, the AD Transformation and Resources advised that the savings in relation to the Shared Service Centre and Customer Services from last year's MTFS were on track, however given the size of the savings involved the Committee was advised that the risk rating was amber instead of green.
- f. In response to a request for clarification on potential staff losses, the Committee was advised that £3.2m saving in the Shared Service Centre equated to around 70 posts in 2019/20. However, the AD Transformation and Resources advised that it was not possible to give a robust assessment of the reduction in the number of posts as a significant proportion would likely be made up of contractors, as well as savings from the shared ICT service.
- g. In response to a request for further clarification, the Committee was advised that staff would be TUPE transferred to Camden as part of the shared ICT service and that they would remain on Haringey terms and conditions when transferred over, but would likely be integrated into Camden's terms and conditions at a subsequent point in time. The Committee was advised that all ICT staff employed by Haringey on the last 18 months had been employed according to Camden's terms and conditions of employment, in preparation for a transfer over of staff.
- h. In relation to the proposed saving from vacation of Alexandra House, the Committee was advised that a number of staff had been relocated to River Park House, however the building would not be vacated entirely as the Customer Service Centre would remain there.
- i. In response to a query around the future lease arrangements of Alexandra House, the AD Transformation and Resources advised that he was not sure of the exact details but that re-leasing of empty floors was permitted. The Committee was advised that the savings identified could not be realised until individual floors were re-leased to other organisations.
- j. In relation to the proposed saving related to the closure of the internal print service, the Committee queried whether the saving was contingent on reducing output of hard copies of agenda packs. In response, the Cabinet Member for Corporate resources advised that the saving was part a wider strategic shift towards digitalisation and that tablets were being trialled by some Councillors as part of a move to reduce paper usage. The Committee commented that, in principle, it welcomed a reduction in demand for paper copies of agenda packs and other committee papers.
- k. The Committee requested that further information be provided on the savings proposed within each area of the Shared Service Centre; the impact in 2019/20 on staffing posts as a result; and the capital costs.
(Action: Richard Grice).

RESOLVED

That the Committee considered and provided recommendations to the 29th January Overview and Scrutiny Committee, on the Medium Term Financial Strategy 2018/2019 to 2022/2023 and savings proposals relating to Priority X.

45. UPDATE ON BUDGET RECOMMENDATIONS FROM THE PANELS

The Committee received a verbal update from each of the Scrutiny Panel Chairs in respect of budget scrutiny recommendations and requests for further information, which had arisen from each panel as part of the budget scrutiny process.

Cllr Ibrahim raised concerns around the circa £58m underspend on the capital budget for P4 & P5 and advised that the Housing and Regeneration Scrutiny Panel had requested clarification on why the underspend was so high. Cllr Ibrahim advised that the Panel was concerned that a lack of progress on scheduled capital spending would have a significant impact on attempts to reduce revenue budgets.

Cllr Gallagher advised that all of the savings within Priority 3 were agreed last year and that there were no new savings for 2018/2019. Cllr Gallagher advised that the Environment and Community Safety Scrutiny Panel would advocate that next year's panel carried out a review of the various changes to waste collection services.

Cllr Connor advised that the Adults and Health Scrutiny Panel had requested further financial and strategic information on the savings related to Haringey learning disability partnership, mental health and physical support, as well as the risks associated with those savings. Cllr Connor also advised that the Adults and Health Scrutiny Panel had requested further information on care packages. Cllr Connor commented that Osbourne Grove was no longer going to Cabinet and that the savings predicated on Osbourne Grove may need to be amended to reflect that fact.

The Committee was advised that the budget recommendations from the Children and Young People's Scrutiny Panel were being finalised and that they included recommendations for the Panel's future work programme and a broad welcome for the proposals that they scrutinised. There were no amendments to the budget proposals or requests for further information.

46. FIRE SAFETY IN HIGH RISE BUILDINGS

The Chair advised that the Cabinet Member for Housing, Regeneration and Planning had given his apologies as he was unwell.

The Committee AGREED to reschedule the final evidence gathering session to a future date, when the Cabinet Member was available. **(Action: Clerk).**

The Chair agreed to circulate the summary and recommendations from the independent Review of Building Regulations and Fire Safety, being led by Dame Judith Hackitt. **(Action: Mike Kay).**

47. NEW ITEMS OF URGENT BUSINESS

48. FUTURE MEETINGS

The future meeting dates were noted as:

29th January 2018

26th March 2018

Philip Slawther, Principal Committee Co-ordinator

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Bernie Ryan

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River Park House, 225 High Road, Wood Green, N22 8HQ

Friday, 19 January 2018

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MINUTES OF THE MEETING OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL HELD ON MONDAY, 18TH DECEMBER, 2017, 7.15 - 8.50 pm

PRESENT:

Councillors: Kirsten Hearn (Chair), Mark Blake, Sarah Elliott, Reg Rice, Luci Davin and Yvonne Denny

49. 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.

50. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mallett and Morris, and from Usma Naseer.

51. ITEMS OF URGENT BUSINESS

None.

52. DECLARATIONS OF INTEREST

None.

53. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

54. MINUTES

The minutes of the meeting held on Monday 6 November 2017 were agreed.

55. SCRUTINY OF THE DRAFT 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2018/19 - 2022/23)

The Chair invited the Cabinet Member and officers to give an overview of the budget proposals for Priority One.

Margaret Denison, interim Director of Children's Services outlined a number of areas where efficiencies were being sought. As an example, referring fewer, more

appropriate cases by working closely with the Local Safeguarding Children's Board and better educating staff while maintaining the existing threshold. This would allow more scope for earlier interventions, which were more effective as well as more efficient overall. Examples from elsewhere, including Hertfordshire, were being examined to see how a multidisciplinary approach could be more family friendly, better performing and more cost effective. There was now an opportunity to work with officers and invest in such an approach, and repay the upfront investment over time from the savings generated.

It was noted that the Council faced similar issues to other boroughs in the recruitment and retention of Social Workers, which remained a problem for the Council. Work was underway on improving the proportion of Social Workers that were permanent employees, rather than agency workers, and would continue once the permanent Director of Children's Services took up post.

In response to a question about possible payment-by-results services, the Panel heard that this could be one of a range of options, and there were examples elsewhere, for example in Children and Adolescents' Mental Health Services, where it had worked.

Asked about the £2.8m overspend for the current year, and whether there was a reason the service regularly overspent, the interim Director set out the difficulty in projecting the demand on the service, and that almost all boroughs were overspending on Children's Services, according to responses to a London Councils survey. To help better prepare for the future and manage risk, she advised the best approach would be to predict the cost associated with different interventions required, and then model overall costs depending on the demands anticipated, although she doubted the necessary systems were in place to do this at present. The Panel agreed that the consideration of forecasting and possible zero-based budgeting may be a good scrutiny review for the future, which was welcomed by the interim Director.

Asked about whether the problems of unpredictable demand were exacerbated by austerity, the interim Director set out that the drivers of demand – the failure for parents to meeting children's needs, childhood trauma arising from bereavement or domestic problems, and adult substance abuse or mental health – had certainly not improved in the recent past. The Panel discussed that some of these drivers would have worsened over recent years, and that some Authorities, such as Newham, had taken action in areas indirectly related to Children's Services to help the demand on the service. It was agreed that this would be an interesting area for a future scrutiny project.

Considering the budget proposals titled New Models of Care, the Panel noted that there had been some preparatory work in developing new models, and they were now at the stage of implementation. This included greater internal collaborative work, and the recent Joint Inspection had helped reinforce the message that collaboration was required to deliver a quality service.

In relation to the proposals entitled Early Help and Targeted Intervention and Family Group Conferencing, the Panel welcomed the learning within the service that would

enable children being united with families sooner and a child-centred approach, which would also be more cost effective.

In relation to Family Based Placements, the Panel discussed the contact arrangements for children that had been placed with families outside the borough.

In relation to Care Leavers: Semi-Independent Living, the Panel noted that there was a review of payments made, as part of the redesign of care leavers' support.

In relation to Adoption and Special Guardianship Order Payments, the panel noted the proposals and the application of the refreshed policy.

AGREED

1. There should be a scrutiny project by the relevant scrutiny panel into the effect of poverty and austerity on child protection, including the cost implications
2. The Panel welcome the strategic approach of making investments in the service to realise future savings
3. The Panel welcome the pragmatic approach of bringing services in house, such as the Independent Reviewing Officers, allowing greater control on cost
4. The Panel note there is a continuing interest in seeking partnership arrangements, and agree that should be on a pragmatic basis
5. The Panel welcome efforts to intervene earlier in supporting at-risk children, which may reduce longer term costs
6. The Panel welcome the efforts to chart and manage risk and would want to see this continue
7. The Panel welcome efforts to model risk and forecast potential costs by identifying potential costs of different children-related activity and estimating likely uptake
8. The Panel recommend there be meaningful consultation with staff, users and communities to ensure services are delivered effectively, including where savings are required. The relevant panel should look at models of co-production in the next administration.

56. WORK PROGRAMME UPDATE

The Panel discussed the Committee's work programme.

Yvonne Denny requested that there be questions to the Cabinet Member at a future meeting on how the needs of children with Special Educational Needs were being met, given the challenges posed by budget reductions, for example in transport. The Cabinet Member confirmed the appropriate officer would accompany her to the March meeting.

The panel asked that the Scrutiny Officer give an update on the proposed date for the scrutiny work on restorative justice.

The Chair suggested that the Panel's March meeting include a review of its work over the past four years.

Following a Panel Member's request that the Borough Commander attend a future meeting, the Chair suggested that interested members should attend the Environment and Community Safety Scrutiny Panel's session with the Borough Commander.

NOTED.

57. NEW ITEMS OF URGENT BUSINESS

None.

58. DATES OF FUTURE MEETINGS

Noted.

CHAIR: Councillor Kirsten Hearn

Signed by Chair

Date

MINUTES OF THE MEETING OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL (BUDGET) HELD ON THURSDAY 21ST DECEMBER 2017

PRESENT:

Councillors: Tim Gallagher (Chair), Makbule Gunes, Bob Hare and Anne Stennett

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

27. FILMING AT MEETINGS

The Chair referred Members present to agenda item 1 on the agenda regarding filming at the meeting and Members noted the information contained therein.

28. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Barbara Blake.

29. ITEMS OF URGENT BUSINESS

None.

30. DECLARATIONS OF INTEREST

None.

31. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

32. MINUTES

The Panel noted that a response from the Head of Community Safety and Enforcement to the issues raised regarding the crime statistics discussed under item 13 (Haringey Community Safety Partnership – Performance and Priorities) had been circulated.

In respect of the reference to the proposed Haringey Youth Zone that was discussed under item 12 (Cabinet Member Questions – Communities), it was noted that the proposal would provide £3 million of capital funding and that the £750,000 of revenue funding that it also provided was limited to three years.

AGREED:

That, subject to the above amendments and clarifications, the minutes of the meeting of 12 October 2017 be approved.

33. CHARGES FOR REPLACEMENT BINS AND COLLECTION OF GREEN WASTE AND BULKY ITEMS

Ian Kershaw, Community Safety, Enforcement and Waste Manager, reported on the recent introduction of charges for replacement bins and collection of green waste and bulky items. Concerns had been expressed at the possible adverse effects that these might have so their introduction was being closely monitored, especially in respect of fly tipping. He reported that there had not so far been any noticeable effect. In particular, there had been an increase nationally in fly tipping so the fact that there had been no increase in Haringey was positive news.

In answer to a question, Mr Kershaw reported that 3,930 residents had already signed up to green waste collections and it was hoped to reach at least 6,000 in the first year. There would be a communications campaign to promote the service.

In answer to another question, he stated that there was data showing the distribution of those who had signed up for the service. It showed a higher take up in the west of the borough, as was expected. Panel Members asked if there was potential for differential charging for a reduced collection service. Mr Kershaw stated that there were already three levels of charge and the service wished to keep the service offer simple to understand. Steve McDonnell, the Interim Director of Commercial and Operations, reported that it was hoped that residents would home compost where at all possible. The service was nevertheless open to suggestion and would listen to the views of residents. He stated that the service would be monitoring whether green waste was being put in the grey bins for general waste.

Mr Kershaw reported that in cab technology informed waste operatives of which residents had signed up to the service. Bins could be shared between residents but there needed a specific person for the service to collect from. If a subscription had lapsed but waste continued to be presented in the appropriate sacks they would still be collected. 70% of those who had signed up had opted for the larger bins but the take up of the biodegradable sacks had nevertheless been higher than anticipated.

AGREED:

That the Panel continue to monitor the impact of the introduction of the charges and that a further report on progress be submitted to the Panel in autumn 2018.

34. SCRUTINY OF THE DRAFT 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2018/19 - 2022/23)

The Panel noted that there were no new savings proposed for Priority 3 in 2018/19. All the previously agreed savings had been rolled forward and were currently on course to be delivered. Mr Kershaw reported that the reduction in the funding for the Education and Outreach team had reduced the capacity to engage with residents. However, work was still undertaken with schools although it was now intended to

deliver this on-line. It was still important to provide advice and guidance to residents although this could be challenging due to the transient population in some areas of the borough.

It was noted that the closure of Park View Road Re-use and Recycling Centre had taken place in October. However, there were other sites that could be used instead, including some outside of the borough. Mr Kershaw reported that there would be publicity regarding alternative re-use and recycling facilities. There had so far been no increase in fly tipping but this would continue to be monitored.

In answer to a question, Mr McDonnell stated that it would be possible to bring the waste contract back in house if Members wished to do so. However, the current waste contract was not failing. In respect of the changes to visitor parking permits and hourly permit charges, it was intended to implement these from February. Engagement with the community would be required beforehand. It was agreed that clarification would be provided regarding the age for concessionary rate. It was still intended to relocate parking and CCTV processes and appeals. One option would be to share provision with Islington, who had based their service in Manchester.

The Panel noted that the following responses had been made to the recommendations of the Overview and Scrutiny Committee in January 2017 in respect of items in Priority 3;

- 3.2: Charging for Bulky Household Waste; Enforcement had taken place at hot spot sites and the littering fixed penalty notice rate had been increased from £80 to £150. The impact of the implementation of the changes was also being closely monitored.
- 3.3: Charging for Replacement Wheelie Bins; There was no charge for a replacement bin if it had been damaged by the contractor. There had been very few disputes regarding responsibility for this so far. All bins were marked to show that they belonged to Haringey. Requests for replacement bins had reduced considerably. The main objective of the change had been to encourage better stewardship of bins.
- 3.6: Closure of Park View Road Re-use and Recycling Centre; The impact of this was being closely monitored.
- 3.7: Rationalisation of Parking Visitor Permits; The age for concessionary rate had been reduced from 75 to 65, as the Committee had recommended.
- 3.8: Relocation of Parking/CCTV Process and Appeals; An Equalities Impact Assessment had been included in the Cabinet report on the issue. No final decision had been taken on the issue and the proposal was currently at the commissioning stage. There would potentially be four redundancies arising from the proposal.

Mr McDonnell reported that the fee arising from the licensing scheme for Houses in Multiple Occupation would finance the creation of a team to administer it. He felt that engaging with landlords was likely to be more effective in the long term than outreach and education in reducing littering and fly tipping.

AGREED:

1. That clarification be provided regarding the concessionary rate for parking visitor permits;
2. That the equalities impact assessment in respect of the proposal to relocate parking/CCTV processes and appeals be circulated to the Panel; and
3. That the Panel continue to monitor the impact of the introduction of charges for replacement bins and collection of green waste and bulky items.

35. WORK PROGRAMME UPDATE

AGREED:

That the work plan for the Panel be approved.

CHAIR: Councillor Tim Gallagher

Signed by Chair

Date

MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON TUESDAY, 19TH DECEMBER, 2017, 6.30 - 8.20 pm

PRESENT:

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

1. 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'.

2. APOLOGIES FOR ABSENCE

It was noted apologies for absence had been received from Cllr Ann Waters and Cllr Vincent Carroll.

3. URGENT BUSINESS

It was noted Homes for Haringey had recently put safety measures in place on the Broadwater Farm estate following test result findings highlighting several low-rise blocks had not met required building regulations for large panel system blocks with gas supplies. The Chair informed the Panel that an urgent update on these issues would be considered at the meeting.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

6. MINUTES - 2 OCTOBER 2017

AGREED: That the minutes of the meeting held on 2 October 2017 be approved as a correct record.

7. MINUTES - 7 NOVEMBER 2017

It was noted that the minutes of the meeting held on 7 November 2017 would be reported to the next meeting.

8. AMENDMENT TO THE ORDER OF BUSINESS

AGREED: That a New Item of Urgent Business, concerning Broadwater Farm Gas and Fire Safety, be taken before agenda item 8, Preparation for the Homelessness Reduction Act.

Clerks note – the minutes follow the order of the meeting.

9. NEW ITEMS OF URGENT BUSINESS - BROADWATER FARM GAS AND FIRE SAFETY

Chris Liffen, Interim Managing Director, informed the Panel that Homes for Haringey had recently put safety measures in place on the Broadwater Farm estate. Mr Liffen explained test result findings had shown several of the low-rise blocks had not met required building regulations for large panel system blocks with gas supplies.

The Panel was assured affected residents had been contacted to explain safety measures being taken following the review into the blocks. It was noted around 1,400 people across 725 properties had been affected.

Mr Liffen explained following national advice, given by the Department for Communities and Local Government, Homes for Haringey had started investigations into the construction of the estate which had been built in the 1960s and early 1970s. The Panel was informed that reviews from structural engineers had suggested some blocks did not meet required standards to use gas. It was noted that although the risk was very low, Homes for Haringey had taken a number of precautionary steps to enable residents to stay in their homes.

The Panel was asked to note that the blocks affected, housing both council tenants and some leaseholders, were Croydon, Hawkinge, Hornchurch, Lympne, Manston, Martlesham, Rochford, Debden and Stapleford. In addition, it was noted that the two tower blocks on the estate, Northolt and Kenley, did not have gas supplies while Tangmere was of a completely different construction to the low rise blocks. However, as a precaution, Mr Liffen explained that structural surveyors were reviewing these blocks with results expected soon.

The Panel was informed that Homes for Haringey would visit affected properties to arrange to cap off supplies for gas cookers and to replace them with electric cookers. It was noted that the team would work as quickly as possible and aimed to have the cookers replaced by Christmas, subject to staff gaining access to properties. In response to questions, Mr Liffen advised that as a precaution, the team would also be fitting interrupter valves in order to switch off the gas if a leak was detected and would increase the frequency of gas safety visits. It was noted that a gas safety check would be carried out for free in each leased home and that there were plans to replace the gas system temporarily until a permanent measure could be put in place.

The Panel noted that this was an uncertain time for Broadwater Farm residents but welcomed the steps that had been taken by both the Council and Homes for Haringey, including:

- Holding meetings with the residents' association, knocking on doors on the estate, and distributing letters informing residents of the changes.
- The setting up of a dedicated phone line for effected residents.
- The drop-in centre at the community centre
- The sharing of information with community representatives on the estate.
- The large staff presence that had been on hand and available for discussion.
- The briefings and work that had taken place with colleagues from the police and fire brigade.

During the discussion that followed a range of issues were considered, including:

- The work that was taking place to help identify, and support, vulnerable residents.
- The fact all tenanted properties on the estate had valid gas safety certificates.
- Various issues in relation to the Ronan Point Disaster.
- The importance of good, and continuing, communication with all residents affected.
- Concerns that the cost of an electric cooker would be greater than a gas cooker.
- Compensation packages for affected residents.

The costs associated with putting the safety measures in place were also considered. In response to question, Mr Liffen made clear that Homes for Haringey always put the safety of its residents first and were looking to make residents as safe as possible in the quickest possible timeframe with the minimum of disruption.

In conclusion, the Panel was informed that work would be carried out by Keepmoat. It was noted that Keepmoat had recently been responsible for a kitchen and bathroom renewal project on the estate and had established relationships with residents.

AGREED: That the update on Broadwater Farm Gas and Fire Safety be noted.

10. PREPARATION FOR THE HOMELESSNESS REDUCTION ACT

The Panel received a presentation from Alan Benson, Head of Housing Strategy and Commissioning, Haringey Council, and Denise Gandy, Executive Director of Housing Demand, Homes for Haringey.

Ms Gandy commenced the presentation by explaining the Homelessness Reduction Act received Royal Assent in April 2017 and that it would be implemented in April 2018. The following points were noted:

- It was the first major change to homeless legislation in 15 years and the most significant in 40 years.
- Rather than replacing existing legislation, the Act created additional duties, relating to prevention (prevent more people from becoming homeless in the first place by identifying people at risk and intervening earlier) and relief (intervene rapidly if a homelessness crisis occurs, so it is brief and non-recurrent).

In response to questions, the Panel was informed that if prevention and relief activity failed then the usual tests (priority need and intentional homelessness) would be applied to ascertain if the person was owed the full homelessness duty.

In terms of the duty to provide advisory services, Ms Gandy explained that this required free homelessness advice and information services to be provided to all residents and for advice to be designed with certain vulnerable groups in mind, including care leavers, former armed forces, people leaving custody, victims of domestic abuse, people leaving hospital and people with mental health issues. The Panel noted that the advice must include:

- Prevention on homelessness
- Securing accommodation when homeless
- The rights of applicants and local authority duties
- Help available to people threatened with homelessness
- How to access available help

In response to questions, Ms Gandy explained the legislation would extend the period during which someone might be threatened with homelessness from 28 days to 56 days. In addition, it was noted an applicant would be threatened with homelessness if they had been served a valid section 21 notice to end the Assured Shorthold Tenancy of their only available accommodation, that had expired or would expire within 56 days.

In terms of assessments and personalised housing plans, the Panel was informed that:

- Local authorities needed to carry out an assessment of circumstances and needs of all eligible applicants within 56 days.
- The assessment should include circumstances leading to the threat of homelessness, housing needs and support needs.
- Following the assessment, a Personalised Housing Plan would be drawn up to set out the “reasonable steps” the authority and the applicant would take (and other agencies/people as appropriate).

The Panel was informed that “reasonable steps” should be tailored to the individual and that the plan should be realistic. In response to questions about prevention and relief the Panel was informed that:

- Prevention Duty
 - o Local housing authorities (LHAs) must take reasonable steps to prevent homelessness for any at risk eligible applicant, regardless of priority need. It was noted that this could involve assisting applicants to stay in their current accommodation, or helping them to find a new place to live.
- Relief Duty
 - o LHAs must take reasonable steps to help the applicant secure suitable accommodation. Help could be, for example, providing a bond guarantee, funding a rent deposit or working with a private landlord to make properties available.

Ms Gandy advised LHAs could not refer the prevention duty to another LHA. However, it was noted that the relief duty could be referred if the applicant had no local connection and had a connection to another LHA area. The Panel was informed that a local authority may end the prevention and relief duty, if:

- The applicant had suitable accommodation for at least 6 months
- After 56 days (except where a valid s21). It was also noted that the relief duty must end after 56 days for an applicant who had priority need and was not intentionally homeless.
- The applicant had refused a suitable offer
- The applicant had deliberately and unreasonably refused to cooperate
- The applicant ceased to be eligible
- The application was withdrawn
- The applicant was intentionally homeless from accommodation provided

In response to questions about duties owed to applicants who deliberately refused to cooperate, Ms Gandy advised that local authorities needed to make every effort to engage applicants through a personalised plan. In addition, it was explained that a warning notice must be served if an applicant continued to refuse to cooperate.

Ms Gandy concluded her presentation by providing information on other aspects of the Act and the Code. This included information on the duty to refer and local connection in relation to care leavers. The Panel was informed that in addition to having a local connection to the local authority who looked after them, a care leaver would also have a local connection with an area if they had lived there for 2 years, including time before their 16th birthday. In terms of the Code, it was noted guidance on out of area placements shouldn't limit the search to a specific area if accommodation wasn't affordable. In addition, it was noted households would retain

local connection for 5, rather than 2, if placed into private rented accommodation outside the borough.

The Panel went on to consider the implications and Haringey's response to the legislation. The following points were highlighted by Mr Benson:

- Implications for Haringey:
 - o The number of homeless applications was likely to increase significantly. It was noted that "sector" estimates suggested a 50% - 300% increase in applications across London.
 - o The new approach would be administratively burdensome and there were significant budget implications for: additional staffing resource; the procurement of a new IT solution; additional storage responsibilities; increases in requests for review and legal challenges. However, it was noted that the Act was meant to be "cost neutral" after 2 years.
 - o Further welfare reforms, including the full rollout of Universal Credit in October 2018, likely to exacerbate difficulties associated with homelessness and securing housing options.

- Haringey's Response
 - o It was noted a Task and Finish Group had been set up and that a new staffing structure was in place.
 - o The development of a new Homelessness and Rough Sleeping Strategy
 - o The use of the Flexible Homelessness Support Grant to enhance the local service offer
 - o The work that was taking place on a new Housing Related Support Commissioning Plan
 - o The work that was taking place to review the implications of other policies. For example, it was noted that the Housing Allocations Policy would need to change to reflect new "reasonable preferences".
 - o Modelling work that was taking place on the possible impacts of homelessness demand and TA usage across the Council and wider public sector, including mental health services.
 - o The development of a communication and partner engagement plan in order to raise awareness and manage expectations.

Following the officer presentation a variety of areas were discussed, including:

- Issues in relation to rough sleeping, including on Stroud Green Road especially under the bridge at Finsbury Park.

- Objectives and procedures in relation to the Severe Weather Emergency Protocol.

- Concerns about the level of resource that would be required to deliver services under the Act.

- The importance of support provided by street outreach and homelessness advocacy services.

- The role of customer services

In addition, a number of issues were considered in relation to the processes and procedures that were in place concerning the use of the capital budget to purchase existing properties. It was noted that this included the use of retained Right to Buy receipts, which had previously been returned to Government.

AGREED:

1. That the update on the Homelessness Reduction Act be noted.
2. That the Head of Housing Strategy and Commissioning be asked to provide further information to the Panel, via email, on the Severe Weather Emergency Protocol.
3. That the Head of Housing Strategy and Commissioning be asked to provide further information to the Panel, via email, on the processes and procedures in place concerning the use of the capital budget to purchase existing properties.

11. SCRUTINY OF THE DRAFT 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2018/19 - 2022/23)

Rita Bacheta, Senior Business Partner, introduced the report as set out. The Panel considered and noted the information set out in Appendix A (key lines of enquiry for budget setting), Appendix B (Medium Term Financial Strategy), Appendix C (2017 Budget (Savings) Proposals) and Appendix D (Overview and Scrutiny Recommendations from 2017).

The Panel went on to consider the (new) budget proposals for Corporate Plan Priority 4 (P4) and Corporate Plan Priority 5 (P4), as set out in Appendix E of the report.

In addition to the comments below, the Panel raised concerns about the limited financial information provided in the report.

Consultancy Spend (Tottenham Regeneration)

The Panel was informed that following a detailed review of the overall Tottenham Regeneration Programme budget, savings from the General Fund (£50k) had been identified from 2018/19 on consultancy spend. It was noted proposed savings followed a detailed review with budget holders in order to determine what spend could be delayed or reduced to meet savings the Council was required to make. Officers explained that the impact of reduced spend on consultants would mean that progression of regeneration schemes or projects might be delayed.

Reduction in Housing Related Support Budget

The Panel was informed that this was a budget that commissioned services rather than council employees. It was noted that the current budget (2017/18) still included funding that was due to be transferred to Adults Services following the implementation of the Housing Related Support Review. It was explained that the split was as follows: £4,654k to Adults Services with £3,999k to remain in Housing Related Support. In terms of savings offered it was noted that there would be potential savings for 2018/19

of approx. £50k by bringing monitoring roles back into the Housing Related Support team from Homes for Haringey. It was also noted that additional savings, of approx. £120k in 2019/20, would be achieved by recommissioning community based homelessness prevention work.

In addition to the issues above, a number of topics were considered in relation to the budget strategy for P4 and P5, consultancy spend for Wood Green Regeneration, the Council's capital strategy and programme, and the Housing Revenue Account (HRA).

The Chair concluded the discussion by thanking everyone for their contributions.

AGREED:

1. That further information on the Consultancy Spend for Tottenham Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.
2. That a full breakdown of the P4 and P5 budget, for April 2018 – March 2023, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on the capital strategy and HRA.
3. That further information on the Consultancy Spend for Wood Green Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.

12. WORK PROGRAMME UPDATE

Christian Scade, Principal Scrutiny Officer, provided an update on the proposed work programme for the remainder of the 2017/18 municipal year.

During the discussion a range of issues were considered in relation to the Community Infrastructure Levy (CIL). In response to questions, Emma Williamson, Assistant Director for Planning, suggested BNP Paribas be asked to attend a future Member Learning and Development session to explain the methodology for assessing viability for CIL setting and the reasons behind not recommending a rise in North Tottenham. The Panel agreed that this would be useful and asked that the delay to the increase in the CIL at Tottenham Hale be included.

AGREED: That subject to the comments above, 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.

13. DATES OF FUTURE MEETINGS

The Chair referred Members present to item 12 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

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Report for: Overview & Scrutiny Committee 29 January 2018

Item number:

Title: Treasury Management Strategy Statement 2018/19 – 2020/21

Report authorised by: Clive Heaphy, Chief Finance Officer (S151 Officer)

Lead Officer: Thomas Skeen, Head of Pensions
thomas.skeen@haringey.gov.uk 020 8489 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 Treasury Management Strategy Statement for 2018/19 – 2020/21 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 2018/19 to 2020/21 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.

5. Alternative Options Considered

5.1 None

6. Background information

- 6.1. The CIPFA Treasury Management Code of Practice requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management, is then subject to scrutiny before being approved by Full Council. In Haringey, the Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to full Council through Overview and Scrutiny Committee. Any comments by Overview and Scrutiny will be reported to Corporate Committee. Training will be provided in advance of the meeting by Arlingclose, the Council's Treasury advisor.
- 6.2. 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 2018/19 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 – Treasury Management Strategy Statement
2018/19 – 2020/21.

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.

London Borough of Haringey
Updated Treasury Management Strategy Statement
2018-19 to 2020-21

1 Introduction

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

2 External Context

- 2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is

now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

- 2.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.
- 2.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.
- 2.4 **Credit outlook:** High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.
- 2.5 Bail-in legislation, which is intended to protect taxpayers from failing banks in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.
- 2.6 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.
- 2.7 **Interest rate forecast:** The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 2.8 Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a

shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

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

3 Local Context

- 3.1 On 31st March 2017, the Council held £347.0m of borrowing and £18.6m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The estimates for each pool, based on the current proposed Revenue Budget and Capital Programmes, are:

Table 1a: Treasury Position – General Fund

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

Table 1b: Treasury Position – HRA

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

- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2018/19 and the remainder of the forecast period.
- 3.4 The tables above show how the Council's capital requirement is funded currently and how it is expected to be funded in the coming years. Due to the differential between short and long term interest rates (discussed in more detail in section 4), the Council has maximised the amount of internal borrowing that can be done. As short term interest rates are forecast to remain relatively low (probably below 2%) for the next few years. It is anticipated that a significant level of internal / short term borrowing will continue, with the only reduction expected reflecting the planned movement in reserves.
- 3.5 Ensuring that gross external debt does not exceed the CFR over the medium term is a key indicator of prudence. There has been no difficulty meeting this requirement in 2017/18 nor are there any difficulties envisaged for future years, as the levels of internal borrowing in tables 1a and 1b above demonstrate.
- 3.6 It is a requirement for the HRA CFR to remain within the limit of indebtedness or "debt cap" set by the DCLG at the time of the implementation of self-financing. The table below shows the current expected level of the HRA CFR and the debt cap. Any decision by the Council to undertake new borrowing for housing will cause the future years' debt predictions for the HRA debt pool to increase.

Table 2: HRA Debt Cap

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

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

Table 3: Capital Expenditure

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

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

Table 4: Capital Financing

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

- 3.9. As an indicator of affordability the table below shows the incremental impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme and the number of rented properties (HRA).

Table 5: Incremental Impact of Capital Investment Decisions

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

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

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

- 3.11. The ratio for the General Fund is deteriorating over the period. This is due mainly to reduced Council revenues. The effect of net new borrowing is mitigated by the lower coupon compared with maturing debt. The HRA would derive greater benefit from the repayment of high coupon debt.

Table 6: Ratio of Financing Costs to Net Revenue Stream

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

4. Borrowing Strategy

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

Objectives

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

Strategy

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

into future years when long-term borrowing rates are forecast to rise modestly.

- 4.5. The level of reserves and working capital that enable internal borrowing will be monitored and projected changes will be used to determine the timing and level of new debt. The Council's treasury advisor will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this costs more in the short-term.
- 4.6. Alternatively, the Council may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This will enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. These arrangements will only be considered where there is certainty as to borrowing needs and timing and where predictability of interest costs is beneficial to the capital programme.
- 4.7. The Council will adopt a flexible approach to this borrowing in consultation with its treasury management advisers. The following issues will be considered prior to undertaking any external borrowing:
 - Affordability;
 - Maturity profile of existing debt;
 - Interest rate and refinancing risk;
 - Borrowing source.

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

- Public Works Loan Board (PWLB) and any successor body
 - Other local authorities
 - Institutions such as European Investment Bank and Commercial Banks
 - UK public/private sector pension funds (except Haringey Pension Fund)
 - Capital market bond investors
 - UK Municipal Bonds Agency plc and other entities created to enable local Council bond issues
 - Leasing
- 4.8. The Council may borrow short-term loans (up to one year in length) to cover cash flow shortages. The Council has previously raised the majority of its long-term borrowing from the PWLB but it continuously investigates other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.
 - 4.9. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds

on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the risk that other local Council borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Corporate Committee that contains explicit legal advice.

Lender's Option Borrower's Option Loans

- 4.9 The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £100m of these LOBOS have options during 2018/19, and although the Council understands that lenders are very unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and Variable Rate loans

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

Debt Rescheduling

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

5. Investment Strategy 2018/19

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

Objectives

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

Negative Interest Rates

- 5.3. If the UK enters into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation has previously occurred in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested. However, the Bank Rate rose in November 2017 to 0.50%, so this situation may be less likely to occur in 2018/19.

Strategy

- 5.4. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds. These investments are exposed to bank bail in risk. Investment is also done with the Debt Management Office (HM Treasury), these investments are not exposed to bail in risk. To reduce potential exposure to unsecured bank deposits, the counterparty policy has been expanded to include quasi government institutions; Supranational banks. Covered bonds are now identified separately from unsecured bank deposits as these deposits are of lower risk being both secured on collateral and possessing a bank issuer guarantee.
- 5.5. Following a review and as cash balances are not expected to increase in 2018/19, counterparty investment limits have been maintained at 2017/18 levels – counterparty limits for individual banks has been set at £5m and exposure to each individual local Council is maintained at maximum deposit of £15m per

Council. These changes also reflect the anticipation that cash balances will continue to remain at or below historic levels as part of the policy to minimise new long term borrowing.

Specified and Non-specified Investments

5.6. Investments are categorised as ‘Specified’ or ‘Non Specified’ investments based on the criteria in the CLG Guidance. Instruments proposed for the Council’s use within its investment strategy are contained in Appendix 4, which also explains the meaning of these terms. The list of proposed counterparties is shown in Appendix 5. In keeping with the strategy of maintaining high quality counterparties, at least 50% of all investments will be specified investments.

5.7. The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local Council, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

5.8. The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of [A-] or higher

Non-specified Investments

5.9. Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 7 below.

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

Table 7: Limits - Specified and Non-Specified Investments

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

Term Deposits/ Call Accounts/ Certificates of Deposit/Covered Bonds	UK or AA+	Counterparties rated at least A- Long Term (or equivalent)	£5m per bank or banking group	364 days
Variable NAV Enhanced Cash Funds	UK/Ireland/ Luxembourg domiciled	AAA - rated Funds	£5m per ECF*; Group limit £10m	Minimum Weekly Redemption

Risk Assessment and Credit Ratings

5.11. Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

5.12. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.13. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then no new investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

5.14. The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the 'quality financial press'. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

5.15. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in

credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment Limits

5.16. The Council has determined that revenue reserves available to cover investment losses are forecast to be £18m on 31st March 2018. In order that no more than 85% of estimated available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

6. Treasury Management Indicators

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

Security

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

Table 8: Credit Score Target

	Target
Portfolio average credit	3 - 6

Interest Rate Exposures

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

Table 9: Interest Rate Exposure

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	60%	60%	60%

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

Authorised Limits for External Debt

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

Table 10: Authorised Limit

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

Operational Boundary for External Debt

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

Table11: Operational Boundary

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

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

Maturity Profile

- 6.8. The Council is required to set limits on the percentage of the portfolio maturing in each of the periods set out in the table below. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt. The limits have been set to reflect the current debt portfolio, and to allow enough flexibility to enable new borrowing to be taken for the optimum period. The limits apply to the combined General Fund and HRA debt pools.
- 6.9. The maturity range has been applied to LOBO loans (see 4.9 above) based on their contractual maturity date. The column on the right hand side represents the maturity structure based on the next date that the lender is able to reset interest rates.

Table 12: Maturity Profile

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

Liquidity Management

6.10. The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

Principal Sums Invested for Periods Longer than 364 days

6.11. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 13: Limit on Sums Invested Beyond 364 Days

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£10m	£10m	£10m

7. MRP Statement

7.1. The Council's MRP policy has been reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent

provision for repayment of borrowed capital. The revised policy, which took effect from 1 April 2016, ensures that provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

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

General Fund MRP policy: prudential borrowing from 2007/08

- 7.5. For borrowing incurred on schemes described by the Government as Prudential Borrowing or Unsupported Borrowing, MRP will be calculated over the estimated remaining useful life applicable to the expenditure (usually the useful life of the asset it is financing) using the Annuity repayment method in accordance with Option 3 of the guidance.
- 7.6. This means that MRP will be calculated on an annuity basis (like many domestic mortgages) over the estimated life of the asset. Estimated life periods will be determined by the Section 151 Officer under delegated powers.

- 7.7. In accordance with the provisions in the guidance, MRP will be first charged in the financial year following the one in which the entire asset to which the charge relates, becomes fully operational.
- 7.8. Financial agreements such as loans, investments or where assets are to be acquired for future development (including where capital receipts are part of the business case), will not, at the discretion of the CFO, attract MRP. This discretion will be applied where it is reasonable to assume that the initial capital investment will be returned to the Council in full at maturity or over a defined period.

Concession Agreements

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

Finance Leases

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

Statutory capitalisations

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

8. Capital Expenditure

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

9. Other Items

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

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 2018/19 will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be one year, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

- 9.10. The budget investment income in 2018/19 is £30k, based on an average investment portfolio of £15m at an interest rate of 0.20%. The budget for debt interest paid in 2018/19 is £16.1m, based on an average debt portfolio of £350m (including short term debt) at an average interest rate of 4.6%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will also be different. Interest paid and earned is apportioned between the General Fund and HRA. The average interest rate on existing long term debt will decline in 2018/19 from 4.70% to 4.51% with interest costs falling by approximately £1.0m. New long term debt has been raised in 2017/18 at an average cost of 2.61%.
- 9.11. The Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

Monitoring & Reporting

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

10. Other Options Considered

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

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

Details of Treasury Position

A: General Fund Pool

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

B: HRA Pool

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

C: Security Measure

		2018/19	2019/20	2020/21
Above target	AAA to AA+	Score 0 - 2	Score 0 - 2	Score 0 - 2
Target score	AA to A	Score 3 - 6	Score 3 - 6	Score 3 - 6
Below target	Below A	Score 6+	Score 6+	Score 6+

Summary of Prudential Indicators

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

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

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

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

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

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

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

No.	Prudential Indicator	2018/19		2019/20		2020/21	
8	Maturity Structure of Borrowing						
	U: Upper, L: Lower	L	U	L	U	L	U
	Under 12 Months	0%	60%	0%	60%	0%	60%
	12 Months & Within 2 Years	0%	40%	0%	40%	0%	40%
	2 Years & Within 5 Years	0%	40%	0%	40%	0%	40%
	5 Years & Within 10 Years	0%	40%	0%	40%	0%	40%
	10 Years & Within 20 Years	0%	40%	0%	40%	0%	40%
	20 Years & Within 30 Years	0%	40%	0%	40%	0%	40%
	30 Years & Within 40 Years	0%	50%	0%	50%	0%	50%
	40 Years & Within 50 Years	0%	50%	0%	50%	0%	50%
	50 Years & above	0%	40%	0%	40%	0%	40%

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

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

Arlingclose Economic & Interest Rate Forecast November 2017

Underlying assumptions:

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

Forecast:

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

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

Counterparty Policy for in house treasury activities

The investment instruments identified for use in 2018/19 are listed in the table. Each investment type is classified as either 'Specified' or 'Non – Specified' investment categories. Specified investments are considered low risk and relate to funds invested for up to one year. Only those investments with a credit rating of at least AA- are considered as specified. Non-specified investments normally offer the prospect of higher returns but carry higher risk and may have a maturity beyond one year. At least 50% of investments held will be specified. All investments are sterling denominated.

As discussed in the borrowing strategy the plan during 2018/19 will be to partially rely on short term debt and minimise cash balances. This will lead to a high proportion short dated and tradable instruments e.g. money market funds, T-bills, CDs and DMO within the cash portfolio to cover liquidity needs.

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

Minimum Credit Quality & diversification Limits

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

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

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

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

Non UK Banks

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

Maturities Guidance

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

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

Additional Details on Types of Investments

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

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

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

Lending List of counterparties for investments

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

A UK bank has been added as a counterparty when compared with last year's list, there are now nine banks. The number of supranational banks has remained at eight. These banks raise funds via CDs. Arlingclose support maximum maturities of up to 25 years for AAA rated supranational banks, although a 15 year maximum maturity is recommended for the Council of Europe Development Bank which is AA+ rated.

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

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

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

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

Instrument	Country / Domicile	Counterparty	Arlingclose Suggested (Maximum) Maturity
UK Banks and Building Societies- Term Deposits, Call Accounts & CDs			
	United Kingdom	BANK OF SCOTLAND PLC	6 months
	United Kingdom	LLOYDS BANK PLC	6 months
	United Kingdom	BARCLAYS BANK PLC	100 days
	United Kingdom	COVENTRY BUILDING SOCIETY	6 months
	United Kingdom	HSBC BANK PLC	6 months
	United Kingdom	NATIONWIDE BUILDING SOCIETY	6 months
	United Kingdom	ABBAY NATIONAL TREASURY SERV	6 months
	United Kingdom	SANTANDER UK PLC	6 months
	United Kingdom	STANDARD CHARTERED BANK	100 days
UK: Other Institutions			
	United Kingdom	DEBT MANAGEMENT OFFICE	50 years
	United Kingdom	LCR FINANCE PLC	15 years
	United Kingdom	NETWORK RAIL INFRASTRUCTURE	15 years
	United Kingdom	WELLCOME TRUST FINANCE PLC	20 years
Non-UK Banks - Term Deposits, Call Accounts and CDs			
	Australia	NEW SOUTH WALES TREASURY	25 years
	Australia	AUST AND NZ BANKING GROUP	6 months
	Australia	NATIONAL AUSTRALIA BANK LTD	6 months
	Canada	EXPORT DEVELOPMENT CANADA	25 years
	Denmark	KOMMUNEKREDIT	25 years
	Finland	MUNICIPALITY FINANCE PLC	15 years
	Germany	FMS WERTMANAGEMENT	25 years
	Germany	KREDITANSTALT FUER WIEFERAUF	25 years
	Germany	LANDESKRED BADEN-WUERTT FOER	25 years
	Germany	LANDWIRTSCHAFTLICHE RENTENBA	25 years
	Germany	LAND SACHSEN-ANHALT	15 years
	Netherlands	BANK NEDERLANDSE GEMEENTEN	5 years
	Netherlands	NEDERLANDSE WATERSCHAPSBANK	5 years
	Norway	KOMMUNALBANKEN AS	5 years
	Singapore	TEMASEK FINANCIAL I LTD	10 years
Supranational Banks			
		COUNCIL OF EUROPE DEVELOPMNT	15 years
		EUROPEAN BANK FOR RECONSTRUC	25 years
		EUROPEAN COAL & STEEL COMMUN	25 years
		EUROPEAN INVESTMENT BANK	25 years
		INTER-AMERICAN DEV BANK	25 years
		INTERNATIONAL BANK FOR RECON	25 years
		INTERNATIONAL FINANCE CORP	25 years
		NORDIC INVESTMENT BANK	25 years

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Report for: Overview and Scrutiny Committee – 29 January 2018

Title: Budget Scrutiny Recommendations

Report authorised by: Cllr Pippa Connor, Vice Chair Overview and Scrutiny Committee and lead for Budget Scrutiny

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

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 This report sets out how budget proposals detailed in the draft 5 year Medium Term Financial Strategy (2018/19 – 2022/23) have been scrutinised, and the draft recommendations that have been reached by the Overview and Scrutiny Committee (OSC) and Scrutiny Review Panels.
- 1.2 Members of the Committee are asked to consider and agree recommendations contained within this report so that these can be considered by Cabinet on 13 February 2018, when they will also agree the final MTFS proposals that will be put to Council on 26 February.

2. Recommendations

- 2.1 That the Overview and Scrutiny Committee:
 - (a) Notes the information, attached at Appendix 1, considered by Scrutiny Panels in December 2017 and the Overview and Scrutiny Committee in January 2018.
 - (b) Considers the additional information, attached at Appendix 2, requested during the December/January round of budget scrutiny meetings;
 - (c) Agrees final budget recommendations to be put to Cabinet on 13 February 2018, following consideration of recommendations arising out of the budget scrutiny process, set out in Appendix 3.

3. Reasons for Decision

- 3.1 As laid out in the Council's Overview and Scrutiny Procedure Rules (Constitution, Part 4, Section G) the Overview and Scrutiny Committee is required to undertake scrutiny of the Council's budget through a Budget

Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.

4. Alternative Options Considered

N/A

5. Budget Scrutiny Process

5.1 The Overview and Scrutiny Protocol lays out the process for Budget Scrutiny. This includes the following points:

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

6. Budget Scrutiny to Date

6.1 In October 2017 the Overview and Scrutiny Committee considered the MTFS (2018/19 – 2022/23) planning timetable and budget scrutiny process for 2018/19. As set out in that report, work commenced on a new five year MTFS in July 2017.

6.3 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
 - o Priority 1

- Adults and Health Scrutiny Panel
 - o Priority 2
- Environment and Community Safety Scrutiny Panel
 - o Priority 3
- Housing and Regeneration Scrutiny Panel
 - o Priority 4 and Priority 5

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

6.5 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 proposed revenue savings proposals, additional information was requested during the December/January round of meetings. This information is attached at Appendix 2 while a list of recommendations, developed from the meetings above, is provided at Appendix 3.

7. Next Steps

7.1 The table below sets out the remaining steps in the budget scrutiny process:

Date	Meeting	Comments
29 January 2017	Overview and Scrutiny Committee	Recommendations agreed and formally referred to Cabinet
13 February 2017	Cabinet	Cabinet will clearly set out its response to recommendations made by the Overview and Scrutiny Committee
26 February 2017	Full Council	Final budget setting

8. Contribution to Strategic Outcomes

8.1 The budget scrutiny process has made a contribution to strategic outcomes relating to “Outstanding for All”, “Clean and Safe” and “Sustainable Housing, Growth and Employment” (Haringey Corporate Plan 2015-18).

9. Statutory Officers Comments

Finance

- 9.1 The Chief Finance Officer has been consulted on this report and acknowledges the importance of budget scrutiny in preparing and subsequently approving the Council's Medium Term Financial Strategy (MTFS).
- 9.2 There are no specific financial implications as a result of the scrutiny process but there may be an impact on the overall Council budget if recommendations are made for change. Any such implications would be considered as part of February's Cabinet MTFS report.

Legal

- 9.3 There are no immediate legal implications arising from this report. The Overview and Scrutiny Committee is exercising its budget scrutiny function. This is part of the constitutional arrangements for setting the Council's budget, as laid out in Part 4, Section G of the Haringey Constitution.

Equality

- 9.4 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - 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.
- 9.5 The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
- 9.6 The proposals in the draft Medium Term Financial Strategy are currently at a high level and will be developed further as service changes and policy changes are progressed. Equality impact assessments will be developed as part of this process.
- 9.7 The Committee should ensure it addresses these equality duties by considering them within its work. This should include considering and clearly stating;
- How specific savings / 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.

10. Use of Appendices

Appendix 1 – Draft 5 Year Medium Term Financial Strategy Scrutiny Report

Appendix 2 – Additional Information Requested

Appendix 3 – Draft List of Recommendations from Budget Scrutiny Process

11. Local Government (Access to Information) Act 1985

11.1 Background papers:

- 5 year Medium Term Financial Strategy (2018/19 – 2022/23) – Cabinet 12th December 2017

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Appendix 1

Draft 5 Year Medium Term Financial Strategy Scrutiny Report

This information was considered by Scrutiny Panels in December 2017 and the Overview and Scrutiny Committee in January 2018.

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- Report for:** Budget Scrutiny Panels
- Adults and Health Scrutiny Panel, 14th December 2017
 - Children and Young People Scrutiny Panel, 18th December 2017
 - Housing and Regeneration Scrutiny Panel, 19th December 2017
 - Environment and Community Safety Scrutiny Panel, 21st December 2017
 - Overview and Scrutiny Committee, 11th January 2018

Title: **Scrutiny of the Draft 5 Year Medium Term Financial Strategy (2018/19-2022/23)**

Report authorised by: Clive Heaphy, Chief Finance Officer and s151 Officer

Lead Officer: Oladapo Shonola, Lead Officer Budget & MTFS

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 To consider and comment on the Council's draft 5 year (2018/19 to 2022/23) Medium Term Financial Strategy proposals relating to the Scrutiny Panels' remit.

2. Recommendations

2.1 That the Panels consider, and provide recommendations to Overview and Scrutiny Committee, on the Medium Term Financial Strategy 2018/19 to 2022/23 and savings proposals relating to the Scrutiny Panel's remit.

3. Background information

3.1 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 Protocol covering the Overview and Scrutiny Committee".

3.2 Also laid out in this section is that "the Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 of the Constitution".

4. Overview and Scrutiny Protocol

- 4.1 The Overview and Scrutiny Protocol lays out the process of Budget Scrutiny and includes the following points:
- a. The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their reports shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.
 - b. A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.
 - c. Overseen by the lead member referred to in paragraph 4.1.b, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new Medium Term Financial Strategy. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that the Cabinet Member for Finance and Health and/or Senior Officers attend these meetings to answer questions.
 - d. Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting in January containing their recommendations/proposal in respect of the budget for ratification by the OSC.
 - e. The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget.

5. Draft 5 year MTFS (2018/19 – 2022/23)

- 5.1 In July of this year the Overview and Scrutiny Committee considered the MTFS (2018/19 – 2022/23) planning timetable and budget scrutiny process for 2018/19. As set out in that report, work commenced on a new five year MTFS in July 2017 and a draft MTFS is now in place for consideration by Cabinet.
- 5.2 After taking into account anticipated funding reductions, demand pressures and a review of the base financial position including the achievability of previously agreed savings and new savings proposed, there is an underlying gap of approximately £15m in the budget and further action will need to be taken by the council to bridge this budget gap.
- 5.3 The savings proposals to be considered by Scrutiny panels are split into two categories:
- MTFS savings previously considered as part of 2017/18 budget setting (Appendix C), but further savings are expected to be delivered from these savings options in 2018/19; and
 - New savings proposals submitted as part of this year's (2018/19) budget setting (Appendix E).

5.4 Scrutiny panel recommendations relating to 2017/18 savings that were previously considered in December 2016/January 2017 which also form part of the 2018/19 budget setting are attached at Appendix D.

5.5 This meeting is asked to consider the proposals relating to the services within its remit and to make draft recommendations to be referred to the Overview and Scrutiny Committee on 29th January 2018 for discussion, prior to approval and referral to Cabinet for consideration in advance of the Full Council meeting in February 2018. For reference the remit of each Scrutiny Panel is as follows:

- Priority 1 – Children and Young People Scrutiny Panel
- Priority 2 – Adult and Health Scrutiny Panel
- Priority 3 – Environment and Community Safety Scrutiny Panel
- Priority 4 – Housing and Regeneration Scrutiny Panel
- Priority 5 – Housing and Regeneration Scrutiny Panel
- Priority X – Overview and Scrutiny Committee

5.6 As an aide memoire to assist with the scrutiny of budget proposals, possible key lines of enquiry are attached at Appendix A. This report is specifically concerned with Stage 1 (planning and setting the budget) as a key part of the overall annual financial scrutiny activity.

5.7 Appendix B sets out the summary of the draft five year MTFS by priority area.

6. Contribution to strategic outcomes

6.1 The Budget Scrutiny process for 2018/19 will contribute to strategic outcomes relating to all Council priorities.

7. Statutory Officers comments

Finance

7.1 There are no financial implications arising directly from this report. Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications then these will be highlighted at that time.

Legal

7.2 There are no immediate legal implications arising from this report.

7.3 In accordance with the Council's Constitution (Part 4, Section G), the Overview and Scrutiny Committee should undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol, which is outside the Council's constitution, covering the Overview and Scrutiny Committee.

Equality

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

- Eliminating discrimination, harassment and victimisation

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

7.5 The Act covers nine protected characteristics which are:

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

7.6 The Public Sector Equality Duty came into force on 5 April 2011. The broad purpose of the equality duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities - in shaping policy, in delivering services and in relation to their own employees, and for these issues to be kept under review. If we do not consider how a function can affect different groups in different ways, it is unlikely to have the intended effect. This can contribute to greater inequality and poor outcomes.

7.7 Every person can identify with a combination of these characteristics; we all have an age, a disability status, a gender, our own beliefs and a sexual orientation. It is not the purpose of equalities monitoring to put people in boxes but to ensure that all groups of people have their needs met.

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

7.9 Tackling inequality is a priority for the council and this is reflected in the objectives and performance targets we have set out in the corporate plan 2015-18, as well as the ambition for the Council's Borough Plan, which will set the vision for Haringey from 2018 to 2022.

7.10 The new savings proposals in this report are currently at a high level and will be developed further as new operating models, service changes and policy changes are progressed and implemented. Equalities impact assessments will be developed as part of this process. Where there are existing proposals on which decisions have been taken, existing equalities impact assessments will be signposted.

7.11 Any comments received will be taken into consideration and a further update will be brought to Cabinet in February 2018.

8. Use of Appendices

Appendix A – Key lines of enquiry for budget setting

Appendix B – 5 year Medium Term Financial Strategy (2018/19 – 2022/23) - Cabinet
12th December 2017

Appendix C – 2017 Budget (Savings) Proposals

Appendix D – 2017 (Prior Year) Overview & Scrutiny Recommendations
Appendix E – 2018 (New) Budget Proposals

9. Local Government (Access to Information) Act 1985

Background papers: 5 year Medium Term Financial Strategy (2018/19 – 2022/23) -
Cabinet 12th December 2017

Financial Scrutiny: Understanding your Role in the Budget Process

This document summarises issues and questions you should consider as part of your review of financial information. You might like to take it with you to your meetings, and use it as an aide-memoir.

Overall, is the MTFS and annual budget:

- A financial representation of the council's policy framework/ priorities?
- Legal (your Section 151 Officer will specifically advise on this)?
- Affordable and prudent?

Stage 1 – planning and setting the budget

Always seek to scrutinise financial information at a strategic level and try to avoid too much detail at this stage. For example, it is better to ask whether the proposed budget is sufficient to fund the level of service planned for the year rather than asking why £x has been cut from a service budget.

Possible questions which Scrutiny members might consider –

- Are the MTFS, capital programme and revenue budget financial representations of what the council is trying to achieve?
- Does the MTFS and annual budget reflect the revenue effects of the proposed capital programme?
- How does the annual budget relate to the MTFS?
- What level of Council Tax is proposed? Is this acceptable in terms of national capping rules and local political acceptability?
- Is there sufficient money in “balances” kept aside for unforeseen needs?
- Are services providing value for money (VFM)? How is VFM measured and how does it relate to service quality and customer satisfaction?
- Have fees and charges been reviewed, both in terms of fee levels and potential demand?
- Does any proposed budget growth reflect the council's priorities?
- Does the budget contain anything that the council no longer needs to do?
- Do service budgets reflect and adequately resource individual service plans?
- Could the Council achieve similar outcomes more efficiently by doing things differently?

Stage 2 – Monitoring the budget

It is the role of “budget holders” to undertake detailed budget monitoring, and the Executive and individual Portfolio Holders will overview such detailed budget monitoring. Budget monitoring should never be carried out in isolation from service performance information. Scrutiny should assure itself that budget monitoring is being carried out, but should avoid duplicating discussions and try to add value to the process. Possible questions which Scrutiny members might consider –

- What does the under/over spend mean in terms of service performance? What are the overall implications of not achieving performance targets?
- What is the forecast under/over spend at the year end?
- What plans have budget managers and/or the Portfolio Holder made to bring spending back on budget? Are these reasonable?
- Does the under/over spend signal a need for a more detailed study into the service area?

Stage 3 – Reviewing the budget

At the end of the financial year you will receive an “outturn report”. Use this to look back and think about what lessons can be learned. Then try to apply these lessons to discussions about future budgets. Possible questions which Scrutiny members might consider –

- Did services achieve what they set out to achieve in terms of both performance and financial targets?
- What were public satisfaction levels and how do these compare with budgets and spending?
- Did the income and expenditure profile match the plan, and, if not, what conclusions can be drawn?
- What are the implications of over or under achievement for the MTFS?
- Have all planned savings been achieved, and is the impact on service performance as expected?
- Have all growth bids achieved the planned increases in service performance?
- If not, did anything unusual occur which would mitigate any conclusions drawn?
- How well did the first two scrutiny stages work, were they useful and how could they be improved?

HARINGEY COUNCIL MEDIUM TERM FINANCIAL PLAN - APRIL 2018 - MARCH 2023
Appendix 1

	2017/18	Movement	2018/19	Movement	2019/20	Movement	2020/21	Movement	2021/22	Movement	2022/23
Services	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Priority 1	55,913.43	(1,748)	54,165.18	(310)	53,855.18	0.00	53,855.18	0.00	53,855.18	0.00	53,855.18
Priority 2	91,173.29	679.82	91,853.11	10.29	91,863.41	65.05	91,928.46	188.71	92,117.17	319.10	92,436.28
Priority 3	29,073.90	(1,660)	27,413.90	(150)	27,263.90	0.00	27,263.90	0.00	27,263.90	0.00	27,263.90
Priority 4	5,372.53	(50)	5,322.53	0.00	5,322.53	0.00	5,322.53	0.00	5,322.53	0.00	5,322.53
Priority 5	19,959.01	(50)	19,909.01	(120)	19,789.01	0.19	19,789.20	(0)	19,788.96	0.00	19,788.96
Priority X	38,759.28	(226)	38,533.78	(3,725)	34,808.78	(1,500)	33,308.78	(20)	33,288.78	0.00	33,288.78
Non Service Revenue	15,510.83	1,360.14	16,870.97	11,360.25	28,231.22	4,666.28	32,897.50	6,175.24	39,072.74	6,584.18	45,656.92
Total Budget Requirement	255,762.27	(1,694)	254,068.48	7,065.54	261,134.03	3,231.52	264,365.55	6,343.72	270,709.26	6,903.28	277,612.54
Unidentified Savings	0.00		0.00		9,941.05		11,163.08		12,698.74		13,073.41
Balanced Budget Position	255,762.27		254,068.48		251,192.98		253,202.46		258,010.52		264,539.14
Funding											
New Homes Bonus	5,711.50	(3,012)	2,699.78	0.00	2,699.78	0.00	2,699.78	0.00	2,699.78	0.00	2,699.78
Adult Social Care Grant	1,195.00	(1,195)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Support Grant	38,590.00	(38,590)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Council Tax	93,773.00	8,143.77	101,916.77	4,627.88	106,544.65	2,695.04	109,239.69	4,354.84	113,594.53	4,528.61	118,123.14
Retained Business Rates	22,084.00	86,423.98	108,507.98	(3,526)	104,981.51	1,921.29	106,902.79	438.77	107,341.56	2,000.00	109,341.56
Top up Business Rates	54,232.00	(54,232)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Main Funding	215,585.50	(2,461)	213,124.54	1,101.40	214,225.94	4,616.32	218,842.26	4,793.61	223,635.87	6,528.61	230,164.49
Public Health	20,742.00	(539)	20,202.71	(525)	19,677.44	0.00	19,677.44	0.00	19,677.44	0.00	19,677.44
Other core grants	10,652.76	2,587.66	13,240.43	4,049.17	17,289.60	(2,607)	14,682.76	14.45	14,697.21	0.00	14,697.21
Contribution from /to Reserves	8,782.00	(1,282)	7,500.00	(7,500)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FUNDING	255,762.26	(1,695)	254,067.67	(2,875)	251,192.98	2,009.49	253,202.46	4,808.06	258,010.52	6,528.61	264,539.14

Corporate Priority 1

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

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

Corporate Priority 3

A clean and safe borough where people are proud to live

3.1	Charge Green waste - income generation	375	375				750	N/A	N/A	Amber
3.2	Charging for Bulky Household Waste	300	100				400	N/A	N/A	Green
3.3	Charging for Replacement Wheelie Bins	100	50				150	N/A	N/A	Green
3.4	Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...	50	50				100	N/A	N/A	Green
3.5	Flats Above Shops -Provision of bags - Service reduction	120					120	N/A	N/A	Green
3.5	Reduce Outreach/ Education team - Service reduction	50	65				115	N/A	N/A	Green
3.6	Closure of Park View Road R&R - Service reduction	115	115				230	N/A	N/A	Green
3.7	Veolia Operational Efficiencies	200					200	N/A	N/A	Green
3.7	Rationalisation of Parking Visitor Permits	125	225				350	N/A	N/A	Green
3.8	Relocation of Parking/CCTV processes and appeals		380				380	N/A	13	Amber
3.9	Sustainable Transport in CO2 Parking Permit Charge	100	300				400	N/A	N/A	Green
	Total	1,535	1,660	-	-	-	3,195			

Corporate Priority 1

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

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Delivery Risk RAG
Corporate Priority X		Enabling								
6.1	Shared Service Centre - new delivery model for shared services		250	1,500	1,500		3,250	9,025	336	Green
6.2	Alexandra House - Decant		250	750			1,000	n/a	n/a	Green
6.3	Closure of internal Print Room		51				51	1,364	22	Green
	Total		551	2,250	1,500	-	4,301			
	Overall Total (Pre-Agreed) Savings		3,959	2,560	1,500	-	12,316			

Children's Services - Service Redesign and Workforce

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

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

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

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

Rationale

Contact Service

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

Independent Reviewing Officers

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

Reduction in Agency Spend

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

Service Redesign

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

Key benefits - financial and non-financial

Contact Service

Financial: £80k

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

Independent Reviewing Officers

Financial: 100k

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

Reduction in Agency Spend

Financial: £120k

Non-Financial: More sustainable and robust workforce

Front Door Assessments

Financial: £150k

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

Internal dependencies and external constraints

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

Procurement strategy:

Yes - this saving includes a reduction of staff

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

Early Help & Targeted Response

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

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

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

Procurement strategy:
n/a

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

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

Internal dependencies and external constraints:
none

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

Family Group Conferencing

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

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

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

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

Key benefits:

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

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

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

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

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

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

Internal dependencies and external constraints:

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

Procurement strategy:

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

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

Family Based Placements

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

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

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

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

<p>Benefits:</p> <p>Financial: £275k</p> <p>Outcome: Will better meet the needs of Looked After Children more locally</p>
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<p>Internal dependencies and external constraints:</p> <p>This saving is dependent on the availability of appropriate foster carers and Independent Fostering Agency arrangements</p>
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<p>Procurement strategy:</p> <p>A commissioning exercise would need to be undertaken with an Independent Fostering Agency.</p>

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

Care Leavers: Semi-Independent Living

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

PROPOSAL	
Proposal:	Review the current Semi Independent Living cohort and where appropriate, consider easing the transition to financial independence more efficiently, where care leavers have successfully been supported to live independently. This provision of support would remain in line with statistical neighbours and aligned with the Supporting Housing proposal.
Rationale:	The Leaving Care Service has a function to support the transition of living independently for care leavers. Analysis has suggested that an indepth review would identify cases where payments could be ceased and clarify for future.

Benefits:
Financial: £100k

Procurement strategy:
N/A

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

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

Internal dependencies and external constraints:
None

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated	25	75			
Reduced benefits due to					
Additional Cost Estimated					
Net Impact Cost/(Savings)	25	75	0	0	0
Cumulative Cost/(Savings)	25	100	100	100	100
Payback Period: Not applicable					

Adoption and Special Guardianship Order Payments

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

PROPOSAL

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

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

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

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

Rationale:

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

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

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

Benefits:
Financial: £608k

Procurement strategy:
n/a

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

SUMMARY

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

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

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

New Models of Care

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

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

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

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

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

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

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

Green Waste Charging

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

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

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

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

<p>Key benefits: An estimate of £150K has been deducted and includes, call centre, IT development, container costs administration and any additional treatment/disposal costs. By charging for green waste and proposing that we provide composting bins 'at costs' we will be encouraging residents to deal with their waste sustainably at source.</p>

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

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

Charge for Bulky Household Waste

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

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

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

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

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

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

Charging for replacement wheelie bins

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reduce Education & Outreach Team

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

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

PROPOSAL
<p>Proposal: Restructure entire Veolia Communications, Education & Outreach function and reduce Education/Outreach team by 50%.</p> <p>Rationale: Following changes in the Veolia contract with service level reductions and changes in legislation relating to recycling (i.e. TEEP) the need for Veolia to have all the tools to deliver performance targets has reduced. Therefore it is proposed to reduce the educational and outreach team and review how the remaining resources can be used more effectively by working more closely with Council's communication team.</p> <p>Key benefits: The proposed changes would deliver a savings of £115K pa.</p>

SUMMARY				
Base Data	Financial £000		Workforce	
Current budget	N/A		Employees	N/A
Savings/Invest	£000		Change in employees	
	Year 1	50	Year 1	n/a
	Year 2	65	Year 2	n/a
	Year 3		Year 3	
	Year 4		Year 4	
	Year 5		Year 5	
	Total	115	Total	0
<p>Internal dependencies and external constraints: Review and negotiation of contractual performance targets/ payment mechanism with Veolia. There will be a greater need for the outreach team to support the other income/service change proposals as set out in this document. Therefore savings split over two years.</p>				

<p>Procurement strategy:</p>
<p>Personnel Implications: Up to 4 Veolia staff members could be made redundant. The Council will be liable for redundancy payments.</p>

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

Close Park View Road R&R

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

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

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

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

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

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

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

Rationalisation of Visitors Permits and increase in hourly permit charge.

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

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

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

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

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

N/A

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

Relocating Parking/CCTV Back office Processing & Appeals

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

Impact on Residents	Outcomes
None	None

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

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

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

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

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

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

Permits CO2 charging regime

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

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

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

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

<p>Key benefits: To charge vehicles with higher CO2 emissions. It is expected the charging regime will increase revenue up to £400K.</p>

<p>Internal dependencies and external constraints: New charging for bands will require IT development/costs. Permit charge increase will be subject to statutory consultation.</p>

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

Shared Service Centre

Priority	X
Current Service Area	Shared Service Centre

Proposal:	
	6.3

Impact on Residents	Outcomes
No impact on residents	N/A

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

BENEFITS CASE

Detailed description:

- i. Carry out a high-level options review (November 2016)
- ii. Carry out a detailed options appraisal including cost and benefit analysis (April 2017)
- iii. Members agree new Service Delivery Model (June 2017)
- iv. Complete Transition to New Service Delivery Model (April 2018)

Benchmark and industry standard savings for shared services have been used to establish likely savings.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	0	250	1500	1500	
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	250	1500	1500	0
Cumulative Cost/(Savings)	0	250	1750	3250	3250
Additional Cost Estimated					

COMMERCIAL CASE

Procurement strategy :

Procurement Strategy is dependant on the option chosen. Factors influencing timescale will include:

- The requirement to tender;
- Availability of appropriate existing Shared Service model;
- Need to bespoke standardised processes.

FINANCIAL CASE

Key benefits

Financial - delivery of proposed MTFS savings. The benefits shown have yet to be verified through a detached business case but are an indication of when the savings would be realised. Confirmation of exact costs, benefits and timescales will be known once a detailed business case is prepared

Non-financial - improved service delivery through partnership working with other organisations, including access to better IT systems and sharing of improved processes and procedures

Funding Position	Total	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
	(project life)					
Revenue funding from existing budget	0	TBC				
Revenue funding required – new	0					
Project Management costs	0					
Capital funding from existing budget	0	0	0	0	0	0
Capital funding required – new	0	0	0	0	0	0

MANAGEMENT CASE

Describe the delivery of the preferred option, including the approach to Project, project and change management, and the governance arrangements:

The preferred option for new delivery model for back-office services has yet to be determined as it is subject to an options review.

The Programme Management Office is currently leading a high-level options review. This will include alternative delivery models, risks, benefits, implementation costs and transition timescales.

Internal dependencies and external constraints:

Front-office services - significant potential synergies with front office services; needs of both services need to be considered as part of any future service delivery option

Personnel - significant impact on staff; could be subject to TUPE, and requirement to consult with Trade Unions and Staff

Alexandra House - Decant

Priority	X
Current Service Area	All

Proposal:	
	6.3

Impact on Residents		Outcomes	
No impact on residents		N/A	
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Total	1,000	Total	0

BENEFITS CASE

<p>Detailed description: The proposal is to vacate 5 floors of Alexandra House in 2017 and the remaining floors in the following twelve months. Realisation of savings will depend on renegotiation of rent as we vacate the building or our ability to sub-let those floors we do vacate. Hence, the cost/benefit model assumes savings appearing in 2018/19 and 2019/20.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		250	750		
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	250	750	0	0
Cumulative Cost/(Savings)	0	250	1000	1000	1000
Additional Cost Estimated					

Closure of internal print room

Priority	X
Current Service Area	Communications

Proposal:
 To close the internal print service with a saving of £50.5K in the year 2018/19. The current bulk print service is only 65% utilised.

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

Resources required:
 N/A

What needs to happen and when?
 Work with Committee Services to reduce the demand for printed agendas, looking at IT solutions which allow councillors to mark up PDFs using their laptop or tablet. This development is already in the workplan of the new Shared Digital Service.

Impact on Residents	Outcomes
No impact on residents	N/A

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

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Final Budget Scrutiny Recommendations – January 2017

Cross-Cutting Issues		Recommendation	Member Response
<p>In the context of continuing difficult financial circumstances, and in respect of learning from the experience of the MTFS to date OSC agreed scrutiny should be locked in to the process both of monitoring budget and performance and of evaluating strategy, considering risks and setting out mitigation.</p>		<p>Cabinet should regularly monitor progress on achievement of savings, and report regularly on: budget, including achievement of savings, projections; risk; and mitigation.</p>	<p>Cabinet does regularly monitor progress on achievement of savings, and report regularly on: budget, including achievement of savings, projections; risk; and mitigation.</p>
		<p>Cabinet members and priority leads as appropriate should report in October 2017 to their scrutiny panels on: financial performance, risks and mitigation plans, alongside regular reporting on overall priority performance and quarterly briefings meetings for panel chairs on performance, budget and risk.</p>	<p>Noted</p>
		<p>Cabinet member for finance should then report to OSC on overall progress against budget, risks and mitigation.</p>	<p>Noted</p>
<p>Children & Young People Scrutiny Panel (Priority 1)</p>			
Ref	MTFS Proposal	Recommendation	Response
1.6	Adoption and Special Guardianship Payments	That a report be submitted to the Panel in due course on the impact of the implementation of the refreshment of the payment policy	Noted
1.7	New Models of Care	That an update on progress with the development of the new models be submitted to a future meeting of the Panel.	Noted
N/A	Other Comments	That serious concern be expressed at the lack of detail within the proposals in respect of risk modelling and that a further report on progress in	A further report on progress around delivering the savings will be submitted to the panel before the end of 2017.

		delivering the savings and their impact upon service delivery be submitted to the Panel as soon as these became clear and before the end of 2017.	
Environment & Community Safety Scrutiny Panel (Priority 3)			
Ref	MTFS Proposal	Recommendation	Response
3.2	Charging for Bulky Household Waste	That concern be expressed at the potential for the proposal to lead to an increase in fly tipping and the achievability of the additional income specified and, in the light of this, the following take place: <ul style="list-style-type: none"> • A communications campaign with emphasis on the current penalty of £400 for fly tipping; • Consideration of an increase in the level of the penalty; and • Quarterly monitoring of the impact, benchmarked from the date of implementation of the proposal and, in addition, a full review after a year. 	Noted
3.3	Charging for Replacement Wheelie Bins	<ol style="list-style-type: none"> 1. That there be discretion to waive the charge if there is evidence of bins being damaged during collection; 2. That bins be made more clearly identifiable as being from Haringey; 3. That the potential for the proposal to impact adversely on income levels be noted; and 4. That the impact on the number of replacement bins requested be monitored. 	Noted
3.6	Closure of Park View Road R&R	That the impact of closure be monitored closely for any impact on the level of fly tipping	Noted

	- Service reduction		
3.7	Rationalisation of Parking Visitor Permits	<ol style="list-style-type: none"> 1. The age for concessionary rate be reduced from 75 to 65; and 2. That future increases in price be staged 	Noted
3.8	Relocation of Parking/CCTV processes and appeals	That concern be expressed about the proposal and that a full report on the issue, including an equalities impact assessment, be submitted to overview and scrutiny once market testing has taken place and before a decision is taken on procurement by Cabinet.	Noted

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Corporate Priority 2

Empower all adults to live healthy, long and fulfilling lives

Ref	Proposal	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 £000's	Total £000's	Current Budget £000's	Current Staff	Delivery Risk RAG
2.1	Haringey Learning Disability Partnership - Demand/Market/Operational Management	1,140	1,140	1,430	1,430	1,430	6,570	24,588	N/A	Amber
2.2	Mental Health - Demand/Market/Operational Management	390	390	490	490	490	2,250	9,352		Amber
2.3	Physical Support - Demand/Market/Operational Management	860	860	1,070	1,070	1,070	4,930	24,320		Amber
	Total	2,390	2,390	2,990	2,990	2,990	13,750	58,260		

Corporate Priority 4

Drive growth and employment from which everyone can benefit

4.1	Consultancy Spend (Tottenham Regeneration)	50		-	-	-	50	1,604	38	Green
	Total	50	-	-	-	-	50	1,604	38	

Corporate Priority 5

Create homes and communities where people choose to live and are able to thrive

5.1	Reduction in Housing Related Support budget	50	120	-	-	-	170	8,652		Amber
	Total	50	120	-	-	-	170			
	Total (Pre-Agreed) Savings	2,490	2,510	2,990	2,990	2,990	13,970			

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

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

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

Demand management

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

Market management

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

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

	Financial Data		Workforce Data
Base Data			
Current budget	24,588	Employees	n/a
Savings/ Invest	£000	Change in employees	
2018/19	1,140	2018/19	
2019/20	1,140	2019/20	
2020/21	1,430	2020/21	
2021/22	1,430	2021/22	
2022/23	1,430	2022/23	
Total	6,570	Total	0

Operational management

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

Key Policy Decisions

What	When
Direct Payments	Jan-18
Capitalisation of OT capacity	Nov-17
Top-up policy	Oct-17
LD Section 75 agreement	Apr-18
Respite Policy	Jan-18
Fees & Charges	Jun-18

Owner	John Everson
Version	v1.0
Date	06.10.2017

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

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

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

Demand management

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

Market management

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

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

	Financial Data	Workforce Data
Base Data		
Current budget	9,352	Employees
Savings/ Invest	£000	Change in employees
2018/19	390	2018/19
2019/20	390	2019/20
2020/21	490	2020/21
2021/22	490	2021/22
2022/23	490	2022/23
Total	2,250	0

Operational management

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

Key Policy Decisions	
What	When
Direct Payments	Jan-18
Capitalisation of OT capacity	Nov-17
Top-up policy	Oct-17
MH Section 75 agreement	Apr-18
Respite Policy	Jan-18
Fees & Charges	Jun-18

Owner	Beverley Tarka
Version	v1.0
Date	06.10.2017

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

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

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

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

Demand management

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

Market management

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

Operational management

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

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

	Financial Data		Workforce Data
Base Data			
Current budget	24,320	Employees	
Savings/ Invest	£000	Change in employees	
2018/19	860	2018/19	
2019/20	860	2019/20	
2020/21	1,070	2020/21	
2021/22	1,070	2021/22	
2022/23	1,070	2022/23	
Total	4,930	Total	0

Key Policy Decisions	
What	When
Direct Payments	Jan-18
Capitalisation of OT capacity	Nov-17
Top-up policy	Oct-17
Respite Policy	Jan-18
Fees & Charges	Jun-18
Community Alarms Monitoring & Response	Jun-18
Diminishing returns to demand management	

G

Owner	Beverley Tarka
Version	v1.0
Date	06.10.2017

Establishing the evidence base to evaluate services such as Keablement to understand the current impact and clarify scope for further targeted expansion; focusing the development of a future

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

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

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

Key Policy Decisions	
What	When
N/A	N/A

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

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

Owner	Helen Fisher
Version	1
Date	Oct-17

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

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

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

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

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

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

Key Policy Decisions	
What	When
Homelessness Strategy	Feb-18

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

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

Owner	Alan Benson
Version	1
Date	28/09/2017

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Appendix 2

Additional Information Requested

During the December/January round of meetings additional information was requested in relation to proposals relating to:

- a. Priority 2
- b. Priority 4 and Priority 5
- c. Priority X

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Priority 2 Budget Scrutiny Recommendations

Adults & Health Scrutiny Committee

Priority 2 Budget Scrutiny Recommendations

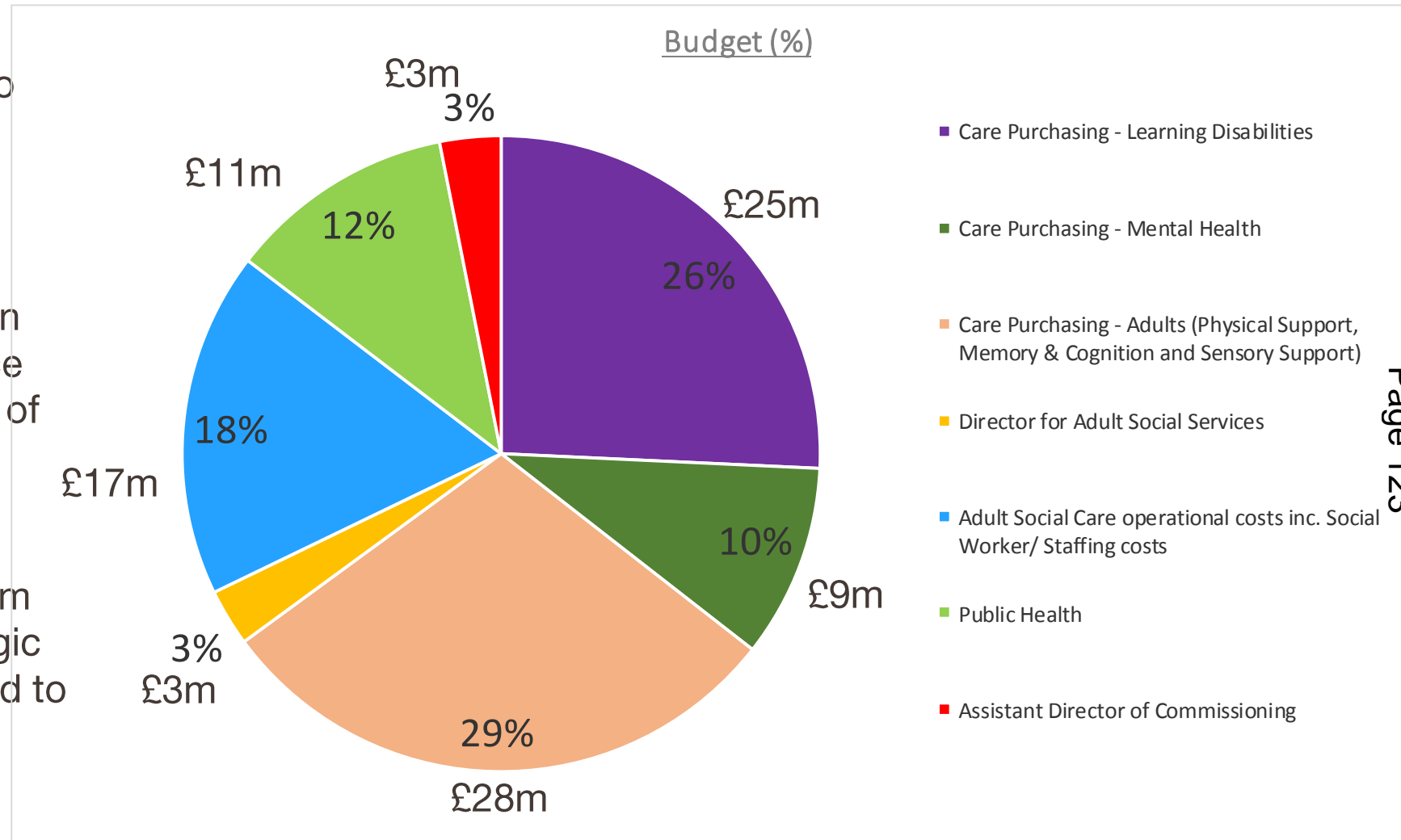
Ref	MTFS Proposal	Further info requested by the Panel	Recommendation	Cabinet Response Required (Yes/No)
2.1	Learning Disabilities	That further financial and strategic information concerning the evidence base for the budget proposals, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made.	None at this stage	
2.2	Mental Health	Where possible, this information should be provided for the “mid-way” point.	None at this stage	
2.3	Physical Support	That further information on the risks associated with each of the budget proposals be made available for consideration by OSC on 29 January.	None at this stage	
N/A		That further information on the overspend on care packages be made available for consideration by OSC on 29 January.	None at this stage	

Priority Spending Breakdown

Of the total P2 budget, nearly two thirds (65%) is spent on care packages for clients with eligible needs.

Previous savings have focused on operational efficiencies, workforce reductions and recommissioning of non-care contracts. Remaining options to do this are limited.

Evidence and working with system leaders have informed the strategic approach that future savings need to be based on action to manage demand and increase value for money in care packages.



Demand Growth

- All of the long-term cost pressure in the next MTF5 period is expected to come from the purchase of care budgets, based on trends for the past three years.
- Projected demand growth over the next 5 years estimated at £11.1m without new action to manage demand, this breaks down across the different areas:
 - Projected growth in demand for Learning Disabilities care packages of £6.4m
 - Projected growth in demand for Mental Health care packages of £2.3m
 - Projected growth in demand for Physical Support care packages of £2.4m
- Not all client groups are expected to see increased demand, for instance, we anticipate the trend of reducing numbers of 65-74 year olds requiring long-term packages of care, and numbers of older adults with learning disabilities and mental health are expected to remain broadly flat.

Building on Strong Foundations

Actions taken, impact to date and future plans are based on the evidence of system leaders and the outcomes seen in other Local Authorities over the past few years.

The evidence that underpins our Maximising Independence approach and our strategies to manage demand and drive VFM provision includes:

LGA - Adult Social Care Efficiency Programme:

- Progression towards maximising independence of residents
- Effectiveness of short-term and preventive help
- Support options for lower care needs, including the use of assisted technology
- The assets of the person being assessed and involvement of family and community
- The way in which providers deliver outcomes and the vibrancy of the voluntary sector
- The availability and the nature of supported housing services
- The partnership with carers and carer organisations

IPC & Oxford Brookes – Six Steps to Managing Demand in Adult Social Care (2017):

- Managing demand through the front door of the Council
- Managing demand from acute hospitals
- Effective short-term interventions for people in the community
- Designing the care system for people with long term needs
- Developing a workforce to manage demand
- Governance and management arrangements to sustain improvements

Budget Strategy - overview

We propose to maintain the budget strategy that we have developed as the basis for planning any future MTFs, as we are confident that it sets out the primary levers for managing the main sources of financial pressure in P2, the cost of Adult Social Care:

DEMAND MANAGEMENT Preventing, reducing and delaying demand for social care	MARKET MANAGEMENT Commissioning packages of care that meet needs in the most cost-effective way	OPERATIONAL MANAGEMENT Reducing the cost base of delivering Adult Social Services
1.1 Strengthening preventative support in the community, including family centred services	2.1. Improve information & access to community alternatives	3.1. Improving the resilience and permanence of the workforce
1.2. Diversion at the Community Front Door to non-statutory or community-based services	2.2. Increase the sufficiency and value for money of community-based provisions including PAs, Day Opportunities	3.2. Strengthen management oversight and decision-making on performance & finance
1.3. Managing demand from acute hospitals	2.3. Increase the local availability and utilisation of a range of Supported Living options	3.3. Implementing operational integration with health and other LAs
1.4. Managing transitions from CYPS	2.4. Strengthen the Homecare market and improve quality & outcomes	3.4. Establishing fairer contributions – income and subsidies
1.5. Expanding the use of assistive technology	2.5. Contain the cost of residential and nursing placements working across NCL to develop capacity	3.5. Revising contracts for services (non-care packages)
1.6. Promoting independence through care planning & reviews	2.6. Develop capital assets to deliver commissioning intentions	

Future Savings Proposals

Reflecting the council's challenging financial position, Priority 2 has set out savings over the next 5 years of £13.75m to manage demand and care costs so that the spend on Adult Social Care plateaus at around the current budget

In 2018/19 the Adults budget sees a net increase of £0.7m, resulting from:

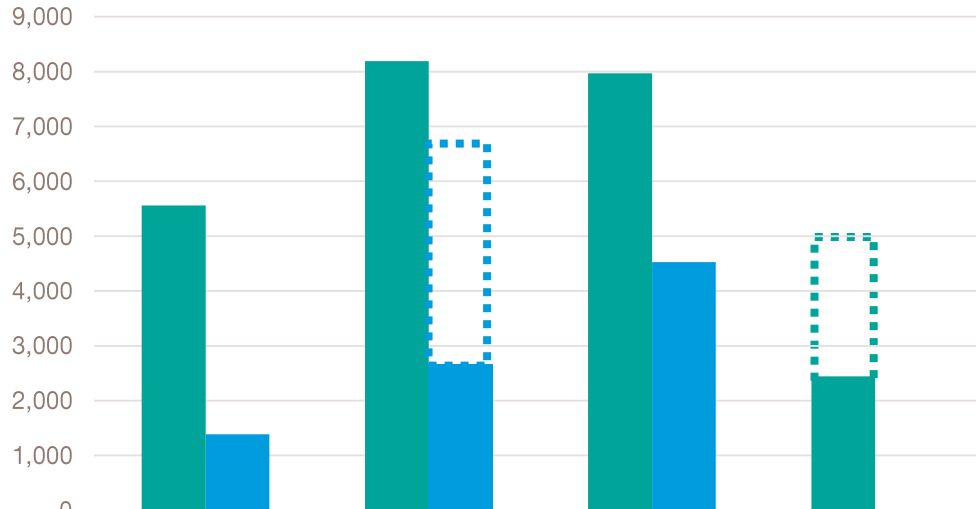
- £3.1m funding passported from ASC Precept
- Substitution of planned savings of £3.2m with a revised plan for £2.4m (additional details of savings approach by area in Appendix).

	18/19	19/20	20/21	21/22	22/23	Total
Learning Disabilities	£1.14m	£1.14m	£1.43m	£1.43m	£1.43m	£6.57m
Mental Health	£390k	£390k	£490k	£490k	£490k	£2.25m
Physical Support	£860k	£860k	£1.07m	£1.07m	£1.07m	£4.93m
Total	£2.39m	£2.39m	£2.99m	£2.99m	£2.99m	£13.75m

This will mean the Adult Social Care budget rises from c31% to c36% of the council's Total Budget Requirement.

Savings History

Savings planned/achieved



	2015/16	2016/17	2017/18	2018/19
Planned savings	5,558	8,189	7,970	2,440
Achieved savings	1,387	2,663	4,525	

MTFS targets for savings in previous years have been overly optimistic given the demand challenges and the lead-time required to redesign services.

In 2016/17 new demand pressures and undelivered savings carried forward had a major impact on the P2 spending position, and even with over £4m of in-year savings from reviews delivered, the service ended the year £12m overspent.

For 2017/18, additional budget was made available to Adult Social Care, but with a similarly stretching savings target of £8.0m, the service is forecast to achieve £4.5m savings, with an overspend of £3.5m

For 2018/19 the previous MTFS identified £3.2m savings for P2, the current planned savings are now £2.4m, but overspend from 2017/18 that is carried forward represents an additional saving requirement in 2018/19 – currently estimated to be up to £3.5m

Issues for 2018/19

1. Sleeping/waking nights - £1.3m

- The 2017 HMRC ruling that requires care providers to pay at least the National Living Wage to care workers for every hour they are at work, including hours spent sleeping which previously accrued a flat rate, will feed through into the costs charged to the council for care packages. We are working with providers to mitigate by developing new models of care.

2. Market pressures - £1m

- Recognising that continuing to withhold inflationary increases to providers as Haringey has done for a number of years may increase the risk of provider failure and in turn could decrease capacity, reduce quality and add further cost burden for social care that would undermine our budget strategies. Some inflationary increases may need to be paid in 2018/19.

3. Osborne Grove Nursing Home - £750k

- The decision to close Osborne Grove Nursing Home on quality and value for money grounds will take time to implement and there will be a cost pressure from continuing to run the facility while re-provisioning takes place and other costs associated with closure.

4. Managing overspend carried forward – up to £3.5m

- The planned savings for 2018/19 include a provision to manage part of the overspend from this year but any remaining overspend will be a pressure that will need to be managed or mitigated in year, potentially with corporate support.

Evidence of Impact 2017/18

Reablement

- Since 2016, the Reablement team has rapidly improved and the number of clients receiving reablement more than doubled. The service consistently achieves 80-90% of clients remaining at home 90 days after hospital discharge into Reablement. Modelling of the financial impact of Reablement is being developed further, but analysis of a partial cohort has shown £1.2m of cost avoided.

Reviews

- Despite significant savings delivered in 2016/17 from reviewing packages of care, our programme of Promoting Independence Reviews has continued to enable outcome-based adjustments to care packages, estimated to deliver net savings in 2017/18 of £1.4m

Step-downs (See following 2 slides)

- To support maximising independence some service users will benefit from a less intensive care setting, for instance by stepping down from residential care to supported living. This is particularly positive for younger adults and is often more value for money option, as the next slide illustrates from step-downs completed in 2017/18:

Protheroe House (See following 2 slides)

- Intermediate care beds providing target support for clients with complex needs following a hospital admission. The impact is designed reduces the need for higher cost.

Reablement Savings

	to date £000	projected £000	total £000
Against potential packages			
in-year	544	16	560
full year	868	140	1,008
Against existing packages			
in-year	63	3	67
full year	140	30	170
Total			
in-year	607	20	627
full year	1,008	170	1,178

Step-down savings

Service area	Number of step downs in 2017/18	Average saving per client p/w
Learning Disabilities 18-64	6	£339
Mental Health 18-64	4	£148
Physical Support 18-64	2	£533
Physical Support 65+	1	£324
Sensory Support 65+	1	£424

Protheroe House

- 17 of 34 clients (50%) had a reduced care need at the end of their stay in Protheroe House compared to when they arrived.
- 6 of 34 (18%) clients had no significant change in care needs

Savings arising

- Average weekly care cost reduction per service user = £125
- Average yearly cost reduction per service user = £6,546
- Projected savings if referrals for 12 month period (assuming 80 placements per year) = £520k

Transformation required to deliver the budget strategy

In addition to improved productivity and effectiveness of business as usual, the P2 Transformation programme is now focused on a number of major projects to redesign service delivery and care provision:

- **Transitions** - develop a seamless service between Children's and Adult pathways, so that young people receive support before reaching adulthood, that maximises their opportunities for independent living.
- **Supported Living, including Deregistrations** – expand the supply of supported living units and work with providers to develop more cost-effective models of supporting people in the community, including the use of Positive Behaviour Support.
- **Direct Payments** – to support service users to exercise choice and control about the support they receive, enabling a greater and more successful take-up of Direct Payments and therefore improved focus on outcomes.
- **Assistive Technology** – to modernise and expand our use of technology to prevent, reduce or delay the need for high-cost care, supplementing existing telecare options for individuals and working with providers to find new uses.

Risks to delivery of savings

Risk	Explanation	Mitigation	RAG
<p>Required transformation to support the budget strategy may be delayed, either by internal or external factors</p>	<p><i>Experience of previous years' transformation informs us that major change takes time and elements of our budget strategy that require changes to the current delivery model can only be fully effective once this transformation is implemented. Turnover of staff, timescales for decision making, and building the evidence base for changes all have knock-on effects to delivery.</i></p>	<ul style="list-style-type: none"> • Project scopes reviewed and agreed • Corporate resourcing of Transformation Programme to undertake planning and project management • Key decisions required are identified and planned into Cabinet forward plan 	G
<p>Other market pressures on care providers may outweigh the impact of beneficial changes to the cost of care</p>	<p><i>Our actions, as a borough and across the North Central London, to manage the market and to work closely with providers to remodel the way care is delivered do not occur in a vacuum. Negotiations with providers will also need to take into account the financial pressures they face and the risks of potential provider failure that may need to be avoided.</i></p>	<ul style="list-style-type: none"> • Provider forums to maintain open dialogue with the market and pre-empt issues • Working across North Central London for increased leverage in care markets • Involving providers in initiatives to explore more enabling models of care, including AT and Positive Behaviour Support 	A/R
<p>Scope for increasing independence of our current and future cohort may be more limited than expected</p>	<p><i>Maximising independence of our residents who use services and taking account of their strengths is a proven approach in the sector, but it remains subject to the needs of the individuals. There is no simple way to evaluate or predict the extent to which additional independence can be achieved or how our profile of need may change, which represents a risk to delivery of the planned savings strategies.</i></p>	<ul style="list-style-type: none"> • Drawing upon national evidence about prevalence of need and impact of key interventions • Involving practitioners in projects like piloting new AT to undertake 'best interest' assessments • Co-design with service users and carers to find appropriate and desirable new models 	A/G
<p>Changing the practice in Adult Social Services to focus on strengths and maximise independence may take longer than expected</p>	<p><i>The adult social care workforce is stable and ways of working have developed over a long time. The knowledge, skills and attitudes of practitioners to support a more empowering and enabling model of practice will take time to be nurtured and will require specific training and development on areas such as assistive technology, direct payments and community alternatives.</i></p>	<ul style="list-style-type: none"> • Care Authorisation Panel to provide increased oversight of decision-making and feed back points for development to practitioners • Redesigned workflows and forms to prompt assessment of strengths and focus on outcomes • Workforce Strategy and L&D plan drafted setting out priorities and actions 	A/G

Strategic risks

Risk	Mitigation	Owner	Prob	Impact	Prox	RAG
Demographic change, including above average transitions from Children's Services, leads to increases in demand that are greater than those projected within our revised MTFS	<ul style="list-style-type: none"> ➤ Adult Social Care Redesign with clear culture and practice change objectives and communications strategy ➤ Strengthened Performance & Finance Framework to regularly monitor demand flows and costs ➤ Whole population approach to prevention embedded through Health in all Policies and prevention pyramids ➤ Transitions project being established with Priority 2 lead and increased project support; shared respite/short breaks policy across Adults and Childrens to manage expectations ➤ Taking opportunities with Growth and Tottenham people agenda to support residents to live healthy, independent lives 	Beverley Tarka	4	4	M	A/R
Complex and challenging organisational dynamics across the system make it harder to deliver integration with partners, providers and other boroughs, jeopardising the development of new models of care	<ul style="list-style-type: none"> ➤ Maturing approach to health and care integration and relationships with CCG / BCF ➤ Design Framework agreed to provide a clear starting point for our strategic engagement with partners ➤ Engagement with partners as part of the Borough Plan development will further strengthen alignment ➤ Wellbeing Partnership agreement and action plan provides clarity on working with Islington and local health providers ➤ Increasing work across five NCL boroughs 	John Everson	3	4	M	A/R

Strategic risks

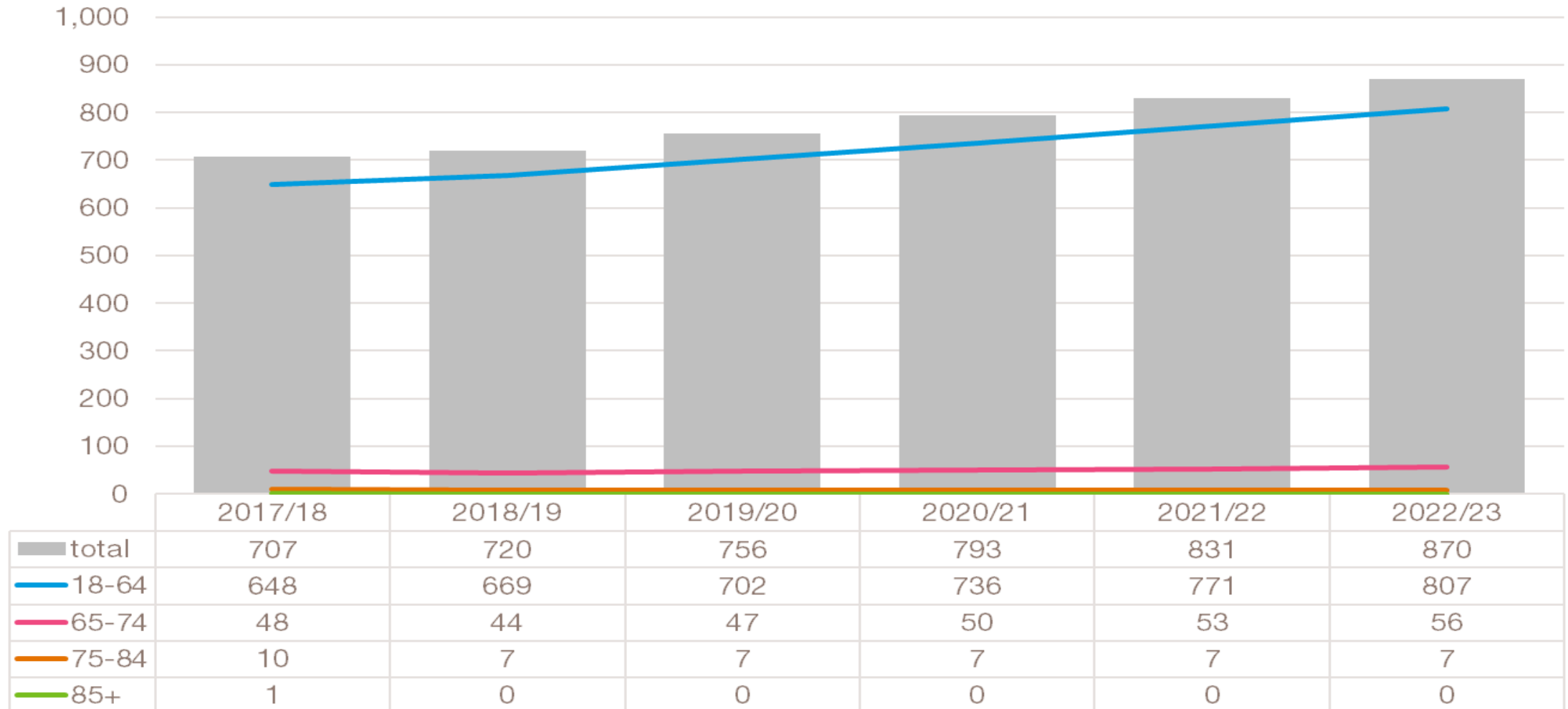
Risk	Mitigation	Owner	Prob	Impact	Prox	RAG
<p>Barriers to stimulating and strengthening key markets (including the community offer) to deliver sufficiency, quality and value for money constrain the ability of adult social care and brokerage to provide options that maximise independence and manage demand for high cost care</p>	<ul style="list-style-type: none"> ➤ Market Development Steering Group set up with key commissioning managers ➤ Markets & Commissioning project reporting to P2, increasing focus on market development activity ➤ DPS for a range of provision to stabilise the market Innovative alternative models are being explored across all types of provision, including Homecare ➤ Community Wellbeing Framework asset mapping with BRT improving picture of community offer ➤ North Central London market development work now resourced and in progress 	Charlotte Pomery	4	4	M	A/R

Appendix: Demand, Cost & Savings Strategies by Service User Group

Learning Disabilities

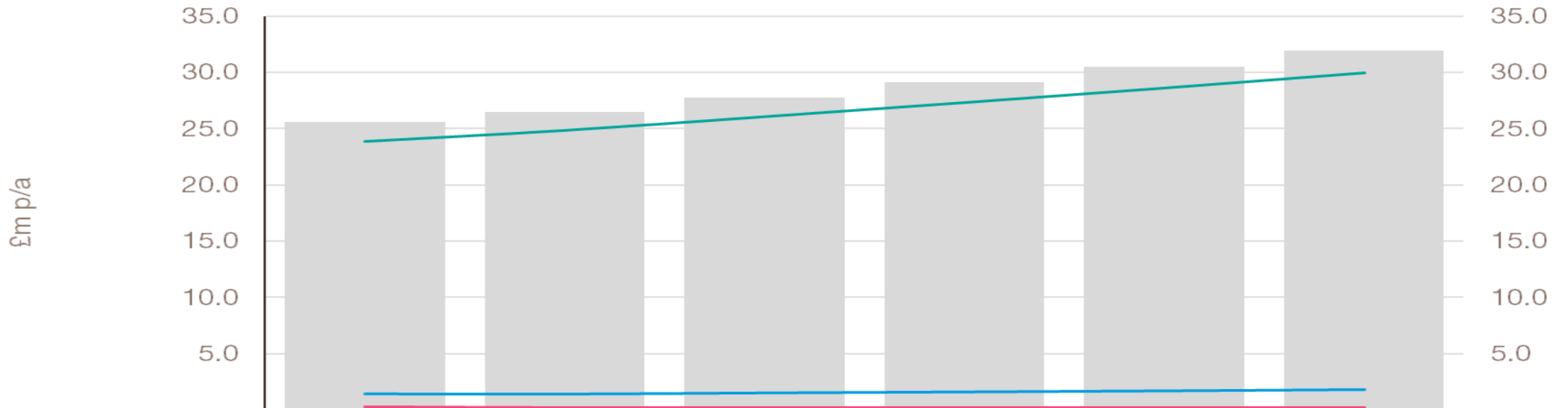
Learning Disabilities: modelled numbers of clients 2018-23

Numbers of clients in receipt of a care package



Learning Disabilities: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	25.6	26.4	27.8	29.1	30.5	31.9
18-64	23.9	24.8	26.0	27.3	28.6	29.9
65-74	1.4	1.4	1.5	1.6	1.7	1.8
75-84	0.2	0.2	0.2	0.2	0.2	0.2
85+	0.0	-	-	-	-	-
annual growth		0.9	1.3	1.3	1.4	1.5

Learning Disabilities: savings 2018-23

MTFS Savings

2018/19	£1.14m
2019/20	£1.14m
2020/21	£1.43m
2021/22	£1.43m
2022/23	£1.43m
	<hr/>
	£6.57m

Savings strategies

Demand management

- Application of indicative needs bandings
- AT to reduce the need for live-in or double-handed care
- Improved Transitions from CYPS to ASC
- Strengths-based assessment and support planning

Market management

- Avoid residential and facilitate step-downs where VfM
- Deregistration of current residential providers
- Developing the market for Day Opportunities and PA's
- Expand Supported Living units
- Joint commissioning of services across the NCL boroughs
- Outcomes based commissioning from providers on PBS
- Specialist brokerage capacity for care packages

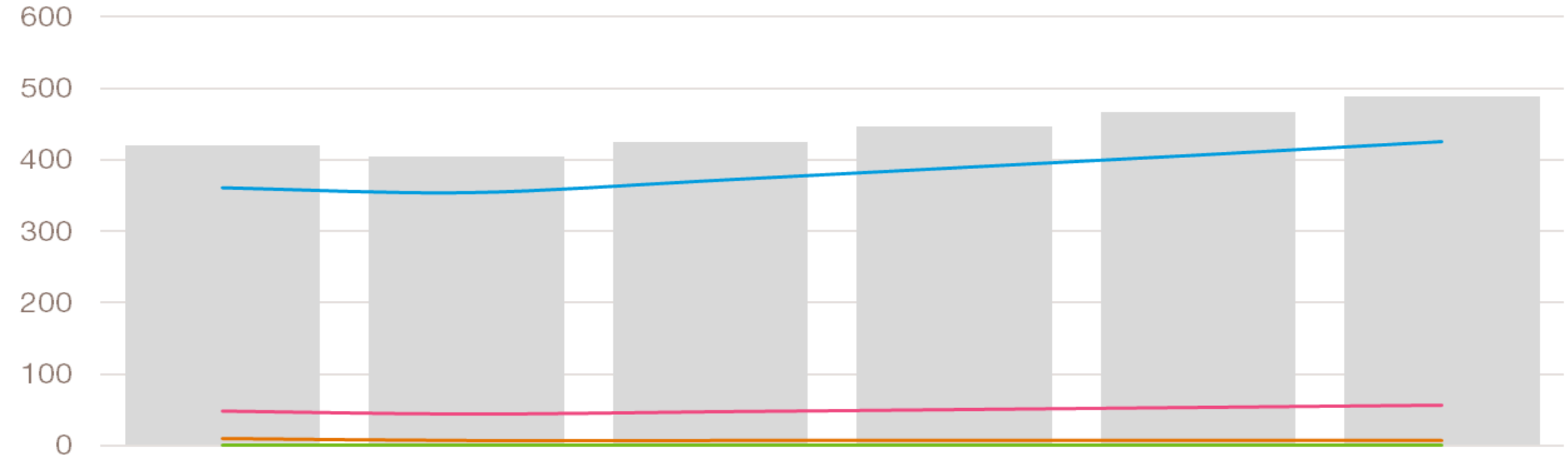
Operational management

- Apply 'top up' policy
- Operational alignment across CCG and Adult Social Care
- Workforce development

Mental Health

Mental Health: modelled numbers of clients 2018-23

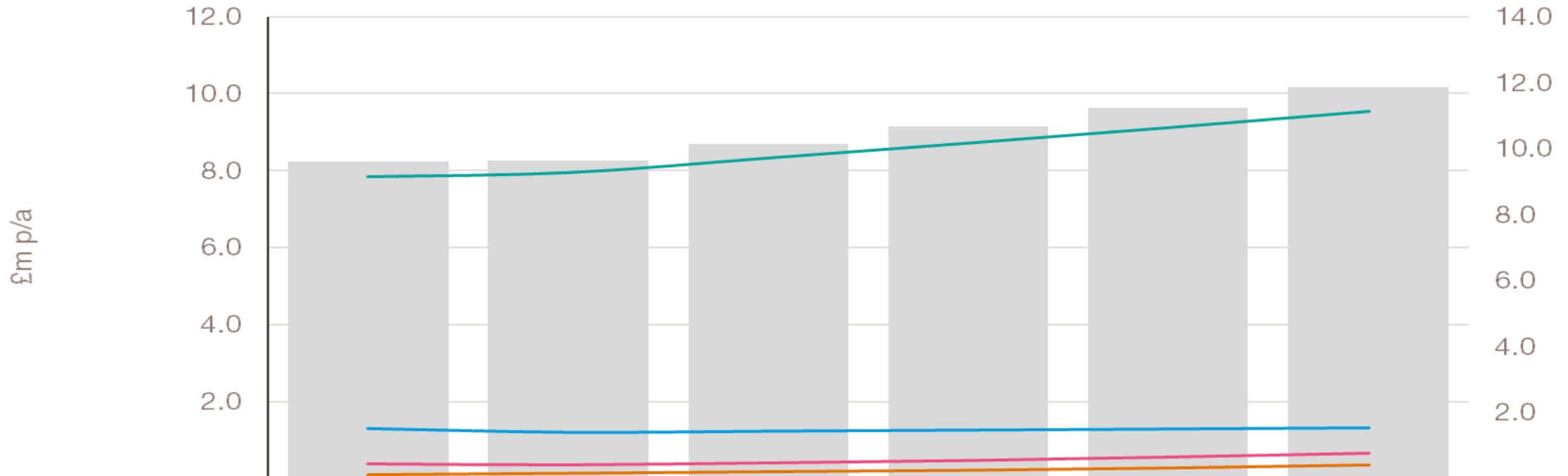
Numbers of clients in receipt of a care package



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	420	405	425	446	467	489
18-64	361	354	371	389	407	426
65-74	48	44	47	50	53	56
75-84	10	7	7	7	7	7
85+	1	0	0	0	0	0

Mental Health: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	9.6	9.6	10.1	10.7	11.2	11.9
18-64	7.8	7.9	8.3	8.7	9.1	9.6
65-74	1.3	1.2	1.2	1.3	1.3	1.3
75-84	0.4	0.4	0.4	0.5	0.6	0.7
85+	0.1	0.1	0.2	0.2	0.3	0.4
annual growth		0.0	0.5	0.5	0.6	0.6

Mental Health: savings 2018-23

MTFS Savings

2018/19	£0.39m
2019/20	£0.39m
2020/21	£0.49m
2021/22	£0.49m
2022/23	£0.49m
	<hr/>
	£2.25m

Savings strategies

Demand management

- Application of indicative needs bandings
- Coordinate response to forensic cases community discharge
- Enablement' pathway, including Primary Care Locality Hubs
- Increase take-up of Direct Payments by Mental Health clients

Market management

- Avoid residential and facilitate step-downs where VfM
- Deregistration of current residential providers
- Developing the market for Day Opportunities and PA's
- Expand Supported Living units
- Joint commissioning of services across the NCL boroughs
- Outcomes based commissioning from providers on PBS
- Specialist brokerage capacity for care packages

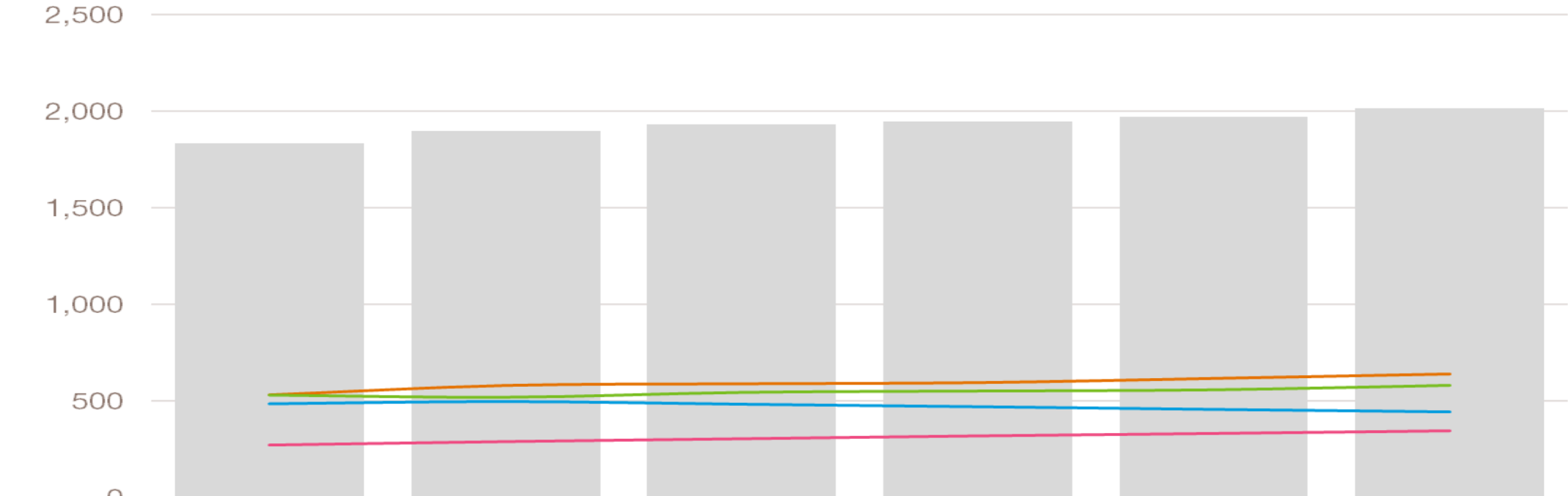
Operational management

- Apply 'top up' policy
- Operational alignment across CCG and Adult Social Care
- Workforce development

Physical Support

Physical Support: modelled numbers of clients 2018-23

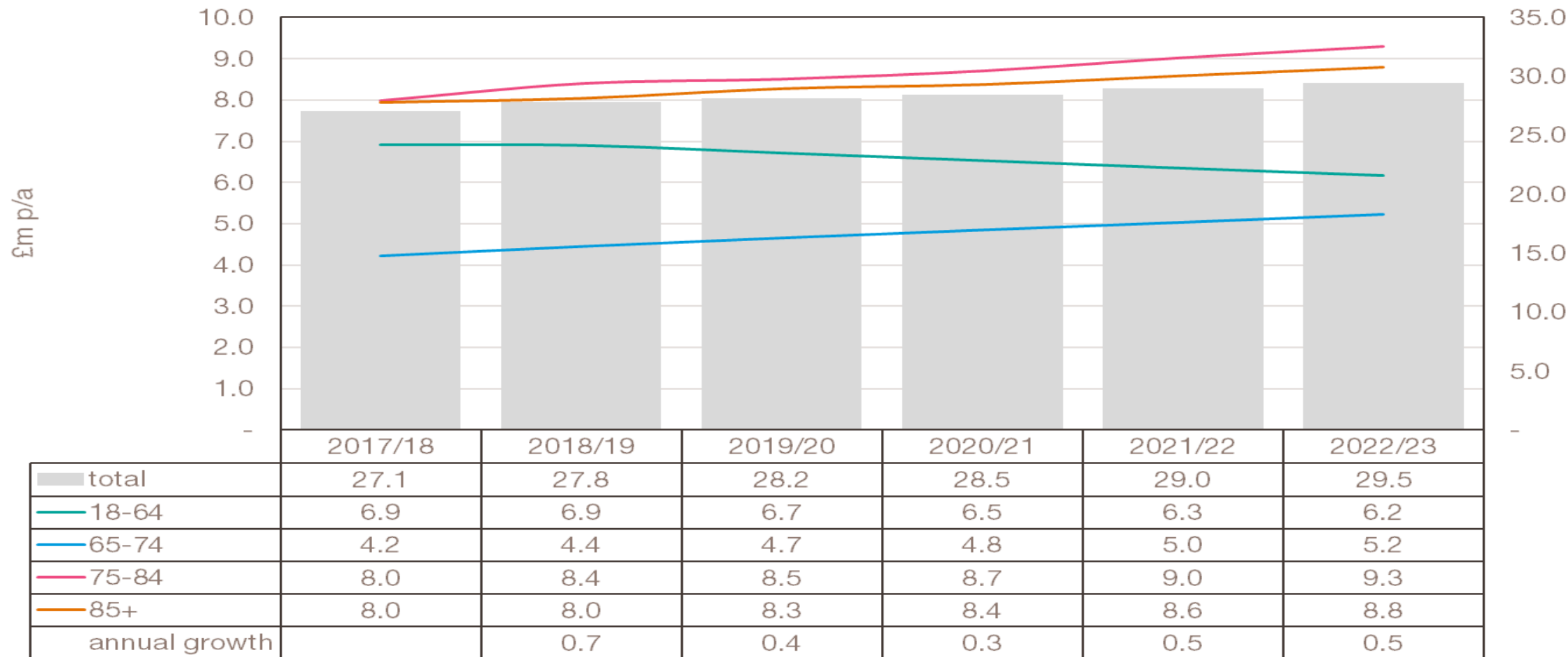
Numbers of clients in receipt of a care package



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	1,833	1,900	1,933	1,947	1,973	2,018
18-64	489	501	487	474	460	447
65-74	277	294	308	322	334	347
75-84	533	582	591	597	619	642
85+	534	523	547	554	560	582

Physical Support: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



3. Physical Support: savings 2018-2023

MTFS Savings

2018/19	£0.86m
2019/20	£0.86m
2020/21	£1.07m
2021/22	£1.07m
2022/23	£1.07m
	<hr/>
	£4.93m

Savings strategies

Demand management

- Discharge to Assess, OOH services & intermediate care
- Expand the AT offer within reablement & long-term care
- Targeted expansion of reablement
- Use of preventative equipment - admission avoidance

Market management

- Develop a more outcomes-focused Homecare offer
- Expand the provision of Extra Care supported housing
- Target intermediate care provision and manage voids

Operational management

- Apply 'top up' policy
- Continued evaluation and review of BCF-funded services
- Develop an integrated Occupational Health offer

Request: That a full breakdown of the P4 and P5 budget, for April 2018 – March 2023, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on the capital strategy and HRA.

Contents

Priority 4

1. 2017/18 Priority 4 Budget breakdown
2. Draft Priority 4 Capital Budget 2018/19- 2022/23

Priority 5

3. 2017/18 General Fund Housing Budget Breakdown
4. Draft General Fund Housing Capital Budget 2018/19 -2022/23
5. HRA revenue and Capital budgets are currently being worked on and will be available in the February 13th MTFS Cabinet report.

1. 2017/18 Priority 4 Budget breakdown

Priority 4 budget consists 6 main budget areas. The total net budget is in the region of £11.9m.

Priority 4	Budget £000's	Description of budgets
Planning	1,674	Salaries, Stationery, Income, Services include: Planning Enforcement, Business Support, Development Control, Building Control, Planning Policy and Local Land Charges.
Regeneration	4,600	Salaries, Consultancy, Income Services include: Wood Green Investment, Regeneration Projects, Wood Green High Street
Economic Regeneration	1,549	This budget is all grant funded. Economic Regen, Employment Programmes, HEST, Nth London CEIP LSCC-Lond. Stan.Camb., Fashion Technology Academy, Tottenham Employment, Apprenticeships/RTW National College
Housing and Growth	1,131	Salaries, Legal Fees Services include Regeneration and Strategy and HDV
Carbon Management	237	Salaries, Income. Services include: WoodGreen Neighbourhood, CPU – Energy Carbon Management, Decentralised Energy, Solar PV
Strategic Property	175	Services include- various Council Buildings
Enabling Culture	2,613	Services include: Museums, Archives, Bernie Grant Centre, Alexandra Palace
Total for Priority 4	11,979	

2. Draft Priority 4 Capital Budget 2018/19- 2022/23

A number of Capital projects receive funding from

- GLA
- TFL
- Third Party Developer

Some funding will be carried over from 2017/18 and hence is it difficult at this stage to say precisely how much external funding contributes to the projects listed in the table below:

SCHEME NAME	18/19 Budget	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	Total MTFS Cost
	£'000	£'000	£'000	£'000	£'000	£'000
Tottenham Hale Green Space	4,344	4,990	5,946	900	2,680	18,860
Tottenham Hale Streets	14,670	9,017	7,683	5,097	1,363	37,829
Tottenham Regeneration Fund	0	0	0	0	0	0
Opportunity Investment Fund	10	0	0	0	0	10
Growth on the High Road	(84)	0	0	0	0	(84)

Tottenham High Rd & Bruce Grove Stn	444	0	0	0	0	444
North Tott Heritage Initiative	557	0	0	0	0	557
Heritage building improvements	500	0	0	0	0	500
HRW business acquisition	10,218	5,847	26,993	9,352	10,496	62,907
Northumberland Park	400	1,500	400	435	0	2,735
White Hart Lane Public Realm (LIP)	3,639	500	0	0	0	4,139
Site Acq (Tott & Wood Green)	10,146	10,000	8,867	0	0	29,013
Wards Corner CPO	8,950	8,950	0	0	0	17,900
Wood Green Regeneration	127	100	0	0	0	227
Wood Green Station Road	155	120	0	0	0	275
Vacant possession Civic Centre	3,268	72	0	0	0	3,341
Marsh Lane	2,227	821	6,823	4,200	266	14,337
Hornsey Town Hall	170	90	86	0	0	346
Alexandra Palace - Heritage	0	0	0	0	0	0
Alexandra Palace - Maintenance	400	400	400	400	400	2,000
Winkfield Road	145	0	0	0	0	145
Alexandra Palace -West Yard	0	0	0	0	0	0
Low Carbon Zones	28	15	0	0	0	43
Techno Park	0	0	0	0	0	0
Green Lanes	0	0	0	0	0	0
Western Road Recycling	(0)	0	0	0	0	(0)
Tott Hale Gyratory	0	0	0	0	0	0
Bruce Castle	94	0	0	0	0	94
District Energy Network (DEN)	1,072	800	0	0	0	1,872
Redevelopment of Waltheof Gardens	(0)	0	0	0	0	(0)
Contribution to Community Events & Public Space (THFC)	1,000	0	0	0	0	1,000
Keston Road (Maya Angelou Contact Centre)	289	0	0	0	0	289
Re-provision of schools in North Tottenham area	500	4,000	20,000	12,000	600	37,100
New corporate headquarters within Wood Green	250	950	2,400	6,000	8,400	18,000
New Wood Green Library/Customer Services.	655	0	0	0	0	655
JLAC Match Fund	0	500	500	0	0	1,000
Bruce Grove Public Realm	2,800	500	0	0	0	3,300
Tottenham High Road Strategy	800	0	0	0	0	800
Tottenham Green Public Realm Scheme Phase 2	600	0	0	0	0	600
HDV Acquisitions & Receipts	1,639	5,163	0	12,082	28,657	47,540
SDP Acquisitions & Receipts	0	0	0	0	0	0
P4 Other	(24)	0	0	0	0	(24)
	69,990	54,336	80,099	50,466	52,861	307,750

3. 2017/18 General Fund Housing Budget Breakdown

General Fund - Housing	2017/18 Budget	Description
Housing Demand	10,904	
Arms Length services	4,253	Pays for Home for Haringey management, and Hearthstone project
Indirect Temporary Accommodation Housing services	812	Legal fees, Home Connections web database, Temporary Accommodation Storage costs
Direct Temporary Accommodation Housing services	5,836	Fees for Private Sector Leases, Housing Association Leases, B&B's & Annexes, preventative Assured Shorthold Tenancies
Temporary Accommodation Lodges	3	Income from Broadwater Lodge and others as they become operational
Housing Commissioning	9,633	
Housing Commissioned Services	535	Housing Strategy & Commissioning Team
Housing Investments & Sites	164	Development & Enabling Team
Housing Related Support (Housing Related Support) Programme	8,934	Housing Related Support Team and Commissioning Budget (c£4.6m to be transferred to Adult Social Care following implementation of Housing Related Support Review)
Private Sector Housing	730	
Private Sector Housing Team	980	HMO Licensing and Private Sector Housing investigation, inspections and enforcement. Includes a target of -81k for mandatory HMO Licensing
Tottenham HMO's	-250	Income from licensing fees Tottenham Additional HMO Licensing Scheme

4. Draft General Fund Housing Capital Budget 2018/19 -2022/23

SCHEME NAME	18/19 Budget	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	Total MTFS Cost
	£'000	£'000	£'000	£'000	£'000	£'000
CPO - Empty Homes	525	525	525	525	525	2,625
Temporary Accommodation Acquisition Programme	25,000	25,000	4,409	0	0	54,409
P5 Other	157	0	0	0	0	157
	25,682	25,525	4,934	525	525	57,191

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Regeneration Team Consultancy Spend - 17/18 (as at Period 8)		
Amount	Consultant	Output(s)
£108,342	GVA	Completion of HRW Development Agreement
£103,697	Pinsent Masons	Completion of HRW Development Agreement
£98,787	GVA	LEESS - study on Employment Space in Wood Green
£49,737	Tibbalds	Tottenham High Road Strategy
£32,471	PPCR Associates	ITLA Northumberland Park
£32,000	Public Voice	Work on Wood Green Investment Framework
£28,959	Haverstock	Work on Wood Green Investment Framework
£25,000	Project Centre	Contribution towards Tottenham Construction Logistics Plan
£24,477	Adams & Sutherland	Design and delivery advice on DCF Strategy and Projects
£22,360	Misc - HRW	Other advice (tax and HRA) relating to HRW
£19,163	SDG	Tottenham Hale Bus Station Traffic Assessment
£15,544	Capita	Road and 7 Constable Crescent Commissions
£13,376	Hays	Comms resources - North Tottenham
£11,200	Design Council	Design advice and support on HRW procurement
£11,051	Misc - Wards CPO	VOA, AECOM advice on Wards CPO. Agency member of staff through Hays for CPO Enquiry.
£10,736	Mace	Consultant advice on HRW
£10,640	GVA	STEA Commission; completion of SDP with Argent
£10,000	Charles Somerset	Consultant advice on The Mall redevelopment
£9,750	MJP	Canning Crescent Feasibility Study
£9,500	Fluid	Work on Wood Green Investment Framework
£7,175	VOA	VOA - Tottenham Hale (Bus Station)
£7,143	Create Streets	Northumberland Park Place Champions Project
£6,592	Cazton / Mayres	Design and advice on East-West Link through Wood Green
£5,519	Stace	Cost estimates and procurement support for DCF projects
£5,000	GLA	Contribution towards Productive Valley (ULV OAPF)
£4,325	The Retail Group	Consumer Survey
£3,000	Cleanslate	Advice on Northumberland Park School
£746	Pinsent Masons	Completion of SDP with Argent
£686,290		

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Priority X

Information Request: That further information be provided on the savings proposed within each area of the Shared Service Centre; the impact in 2019/20 on staffing posts as a result; and the capital costs.

Officer Response: The Front Office, Back Office (FOBO) transformation programme will take the form of a digitisation and re-processing of all back office activity and customer contact. This programme will be based on significant ICT investment, the core components of which will be: maximising internal and external customer self-service, end to end digital integration of services and automation of processes where feasible. In addition, our productivity improvement approach, Perform, will be implemented beyond its current area of focus in Customer Services, to include Shared Service teams and, where applicable, other citizen-facing services. The FOBO programme aims to save £2.5m in 2018/19. This equates to c.55 posts but, in reality, the saving will consist of a mixture of post, contract and license cost savings. Total revenue savings from FOBO over the MTFS period will be £4.2m, requiring a capital investment (ICT and change resource) of £8m.

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Appendix 3

Draft Recommendations / Comments from Budget Scrutiny Process

- a. Priority 1
- b. Priority 2
- c. Priority 3
- d. Priority 4 and Priority 5
- e. Priority X

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

Priority – 1				
Ref	MTFS Proposal	Further info requested by the Panel (if appropriate)	Recommendation	Cabinet Response Required (Yes/No)
1.1	Children’s Service – service redesign and workforce	none	The Panel welcome the strategic approach of making investments in the service to realise future savings	N
			The Panel welcome the pragmatic approach of bringing services in house, such as the Independent Reviewing Officers, allowing greater control on cost	N
			The Panel recommend there be meaningful consultation with staff, users and communities to ensure services are delivered effectively, including where savings are required.	Y
			The Panel welcome the efforts to chart and manage risk and would want to see this continue	N
1.2	Early Help and Targeted Response	None	The Panel welcome efforts to intervene earlier in supporting at-risk children, which may reduce longer term costs	N
			The Panel welcome efforts to model risk and forecast potential costs by identifying potential costs of different children-related activity and estimating likely uptake	N
1.3	New models of care	none	The Panel note there is a continuing interest in seeking partnership arrangements, and agree that should be on a pragmatic basis	N

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

Budget Scrutiny Recommendations – Adults and Health Scrutiny Panel

Priority 2				
Ref	MTFS Proposal	Further info requested by the Panel	Recommendation	Cabinet Response Required (Yes/No)
2.1	Haringey Learning Disability Partnership	That further financial and strategic information concerning the evidence base for the Learning Disability budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the “mid-way” point.	None at this stage	
2.2	Mental Health	That further financial and strategic information concerning the evidence base for the Mental Health budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the “mid-way” point.	None at this stage	
2.3	Physical Support	That further financial and strategic information concerning the evidence base for the Physical Support budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the “mid-way” point.	None at this stage	

Any Other Comments				
2.1	Haringey Learning Disability Partnership	That further information on the risks associated with each of the budget proposals be made available for consideration by OSC on 29 January.	None at this stage	
2.2	Mental Health			
2.3	Physical Support			
N/A		That further information on the overspend on care packages be made available for consideration by OSC on 29 January.	None at this stage	

Budget Scrutiny Recommendations – Environment and Community Safety Scrutiny Panel

Priority 3				
Ref	MTFS Proposal	Further info requested by the Panel	Recommendation	Cabinet Response Required (Yes/No)
3.7	Rationalisation of Parking Visitor Permits	<p>That clarification be provided regarding the concessionary rate for parking visitor permits.</p> <p>N.B. The service has been confirmed that the concessionary rate was reduced from 75 to 65, as recommended by the Overview and Scrutiny Committee in its response to Cabinet on the MTFS dated January 2017.</p>	None at this stage	No
3.8	Relocation of Parking/CCTV Process and Appeals	<p>That the equalities impact assessment (EIA) in respect of the proposal to relocate parking/CCTV processes and appeals be circulated to the Panel</p> <p>N.B. The EIA will be circulated to Panel Members</p>	None at this stage	No
Any Other Comments				
3.1	Green Waste Charging	<p>That the Panel continue to monitor the impact of the introduction of charges for replacement bins and collection of green waste and bulky items.</p>	None at this stage	No
3.2	Charging for Bulky Household Waste			
3.3	Charging for Replacement Wheelie Bins			

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Budget Scrutiny Recommendations – Housing and Regeneration Scrutiny Panel

Priority 4 / Priority 5				
Ref	MTFS Proposal	Further info requested by the Panel	Recommendations	Cabinet Response Required (Yes/No)
4.1	Consultancy Spend (Tottenham Regeneration)	That further information on the Consultancy Spend for Tottenham Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.	None at this stage	
5.1	Reduction in Housing Related Support Budget	None	None at this stage	
Any Other Comments				
N/A		That a full breakdown of the P4 and P5 budget, for April 2018 – March 2023, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on the capital strategy and HRA.	None at this stage	
N/A		That further information on the Consultancy Spend for Wood Green Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.	None at this stage	

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Budget Scrutiny Recommendations – Overview and Scrutiny Committee

Priority – X				
Ref	MTFS Proposal	Further info requested by the Panel (if appropriate)	Recommendation	Cabinet Response Required (Yes/No)
6.1	Shared Service Centre	Further information be provided on the savings proposed within each area of the Shared Service Centre; the impact in 2019/20 on staffing posts as a result; and the capital costs.	None at this stage	No
Any Other Comments				
None				

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Report for: Overview & Scrutiny Committee

Title: Revised Scrutiny Panel Membership

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

Lead Officer: Michael Kay, Democratic Services Manager, 020 8489 2920
michael.kay@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: N/A

1. Describe the issue under consideration

- 1.1 At the Overview and Scrutiny Committee meeting on 13th June 2017 the Committee agreed the membership of the four scrutiny panels.
- 1.2 This report seeks a change to the membership of the Adults and Health Scrutiny Panel, following a request made by the Labour group.

2. Cabinet Member Introduction

N/A

3. Recommendations

The Overview and Scrutiny Committee is asked to agree the revised membership of the Adults and Health Scrutiny Panel outlined in section 6.4 of this report.

4. Reasons for decision

N/A

5. Alternative options considered

N/A

6. Background information

- 6.1 Councillor Peter Mitchell has been appointed to the Cabinet as the Cabinet Member for Environment. As members of the executive cannot sit on the Overview and Scrutiny Committee or Scrutiny Panels (per paragraph 2.1 of Part 4 Section G of the Council's Constitution), a vacancy has arisen.

- 6.2 Paragraph 1.2 (ii) Part 4, Section G of the Overview and Scrutiny Procedure Rules (Haringey Council Constitution) states that:

“The terms of reference of the Overview and Scrutiny Committee will be:

- (ii) The appointment of Scrutiny Review Panels, with membership that reflects the political balance of the Council.”

Paragraph 2.2 Part 4, Section G of the Overview and Scrutiny Procedure Rules (Haringey Council Constitution) states that:

“The membership of the Overview and Scrutiny Committee and Scrutiny Review Panels shall, as far as is practicable, be in proportion to the representation of different political groups on the Council.”

Paragraph 4.4 of the 2012 Scrutiny Protocol reads:

“It is intended that each Scrutiny Review Panel shall be comprised of between 3 and 7 members, and be politically proportionate as far as possible. It is intended that other than the chair, the other members are non-executive members who do not sit on the OSC”.

- 6.3 Of the Council’s 57 Members, 49 Members (or 86%) currently belong to the Labour Group, and 8 Members (or 14%) belong to the Liberal Democrat Group. As set out above, the Scrutiny Panels should reflect these proportions as far as possible.
- 6.4 The proposed revised membership of the Adults and Health Scrutiny Panel is listed below (71% Labour to 29% Liberal Democrat):

Cllr Connor (Chair)
Cllr Adamou
Cllr Beacham
Cllr Berryman
Cllr Gideon Bull (replacing vacancy)
Cllr Griffith
Cllr Ozbek

7. Contribution to strategic outcomes

The Scrutiny Panel covered in this report contribute to the Corporate Priorities of the Council.

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

Finance and Procurement

- 8.1 The Chief Finance Officer has been consulted on this report. There are no financial implications arising from the recommendation set out in this report. Should any of the work undertaken by the Scrutiny Panels generate recommendations with financial implications; these will be highlighted at that time.

Legal

- 8.2 The Assistant Director of Corporate Governance has been consulted in the preparation of this report. There are no direct legal implications arising from the recommendation.
- 8.3 Under Section 21 (6) of the Local Government Act 2000, an Overview and Scrutiny Committee has the power to appoint one or more sub-committees to discharge any of its functions. The establishment of Scrutiny Review Panels by the Committee falls within this power and is in accordance with the requirements of the Council's Constitution.

Equality

- 8.4 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - 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.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

- 8.5 The Panel should ensure that it addresses these duties by considering them within its work plan, 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.
- 8.6 The Panel should ensure that equalities comments are based on evidence, when possible. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

10.1 Background information

The terms of reference for the Scrutiny Panels as agreed by the Overview and Scrutiny Committee on 8th June 2016 can be found here:

<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&MId=7748&Ver=4>