NOTICE OF MEETING

HOUSING AND REGENERATION SCRUTINY PANEL

Tuesday 15th December 2020, 6.30 pm - MS Teams meeting (view it here)

Members: Councillors Ruth Gordon (Chair), Dawn Barnes, Zena Brabazon, Isidoros Diakides, Makbule Gunes, Bob Hare and Yvonne Say

Co-optees/**Non Voting Members**:

Quorum: 3

1. FILMING AT MEETINGS

Please note that this meeting will be 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. 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, you are consenting to being filmed and to the possible use of those images and sound recordings.

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 as noted 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 - 14)

To approve the minutes of the previous meeting.

7. SCRUTINY OF THE 2021/22 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2021/22 - 2025/26) (PAGES 15 - 118)

To scrutinise the revenue and capital proposals relating to the 2021/22 Draft Budget and the Medium Term Financial Strategy for 2021/22 to 2025/26.

8. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 3 above.

9. DATES OF FUTURE MEETINGS

- 2nd March 2021

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Monday, 07 December 2020

MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON THURSDAY 19th NOVEMBER 2020, 6:30pm - 10.00pm

PRESENT:

Councillors: Ruth Gordon (Chair), Dawn Barnes, Zena Brabazon, Isidoros Diakides, Makbule Gunes, Bob Hare and Yvonne Say

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

None.

3. URGENT BUSINESS

None.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

The Panel received a deputation from Sarah Klymkiw and Michael Jones on behalf of a number of leaseholders in the Noel Park area of Wood Green. It was noted that a similar deputation had been made to the meeting of the Full Council on 16th November 2020.

Sarah Klymkiw introduced the deputation covering the following key points:

- That in September 2020, a number of leaseholders on Gladstone Avenue in Noel Park were issued with Section 20 Notices for major works incurring costs of up to £120,000 for some households. The leaseholders understand that these are the second highest set of estimates for leaseholder work that have been issued anywhere in the UK.
- The affected properties are maisonettes in the Noel Park conservation area. In the early 1970s the Council had installed temporary prefabricated bathroom

'pod' structures to the rear of the properties which should have been removed 30 years ago. Sarah Klymkiw said that she understood from comments made by Cllr Ejiofor at the Full Council meeting on 16th November 2020 that these structures were now considered to be unsafe so she queried how long the Council had had concerns about this and why action had not been taken sooner.

- In the 1970s, residents had been offered the option not to have a pod at all. However, in 2020 residents were not being given that option as they were being told that the old pods will be replaced with new pods despite other options being possible. The justification for this appeared to be convenience rather than sustainability or value for money because the change could be made in a day without the need for residents to be decanted.
- Leaseholders had been told by the Council that the new pods would last as long as brick built structures, which she said were claims that simply parroted the manufacturers' PR. She said that the 60-year warranty for the pods did not mean that they would actually last for that long or that the cladding would not need replacing as it was a risk-based warranty for mortgage purposes.
- The proposals also involved replacing windows and doors, but no justification for the need for these works had been given and tenants were now concerned that these extra works would cause delays to the work on their bathrooms.
- Detailed individual surveys would be carried out only after the contracts had been signed which raised concerns about the impartiality of the surveys in terms of incentives to drive down costs or determining the works that are necessary.
- In the opinion of residents, communications and consultation had been handled very poorly by Homes for Haringey (HfH) and many questions from residents had not been answered.
- Leaseholders agreed that the situation with the pods needed to be addressed, did not want to prevent tenants from benefitting from these works and did not expect the money to come from the rent of tenants. However, the leaseholders had been led to believe that the costs to leaseholders would be in the region of £25,000, but the expected costs were now ruinous as they reached figures of up to £120,000 and she said that leaseholders should not have to pay for Council failings. The only solution being explored was flexible payment plans that would do nothing to address the overall cost.
- The leaseholders proposed that the scheme for new pods be scrapped and that the Council and HfH work with leaseholders to explore alternative options that offer best value for money.

Sarah Klymkiw and Michael Jones then responded to questions from the Panel:

- Cllr Hare asked if there had been anything like a 20-year notice to allow for the leaseholders to plan ahead. Sarah Klymkiw said that, in her case, when she purchased her flat five years ago she was told was the cost of the pod would be

£12,500 and so they borrowed on the mortgage accordingly. When going through the process of buying the property the quoted cost then jumped to £25,000. However, there was no indication that the costs would ever reach the current amount of £108,000 that was now being estimated which would effectively be a second mortgage. Leaseholders had tried to engage in dialogue with HfH about possible solutions and there had been no indication of the level of costs until leaseholders received S20 notices. The only other option offered by HfH was to relinquish some equity. Michael Jones added that the first that he had been aware of the costs associated with the bathrooms was in 2009 when the figures for costs talked about were £20,000. He had yet to receive a full breakdown of costs which he said was another example of the lack of information being provided by HfH.

- Cllr Brabazon asked whether Sarah Klymkiw had received a reply to her letter of 21st Oct 2020 to Tracey Downie at HfH which included a number of questions. Sarah Klymkiw said that she had not yet received a reply and had been notified by the Council on 12th Nov 2020 that there would be a delay. Cllr Brabazon requested that the members of the deputation keep the committee informed about any response that they received.
- Cllr Brabazon asked about the cladding and the potential fire risk associated with the new pods. Sarah Klymkiw said that there were a lot of unanswered questions on this, many of which had been included in the letter to Tracey Downie. Cllr Brabazon observed that the wrong type of cladding can render properties uninsurable.
- Cllr Brabazon asked about the door-step meetings with Cllr Ibrahim and Sean McLaughlin on 8th Oct 2020 quoted in the letter to Tracie Downie. Sarah Klymkiw said that these were impromptu meetings and she did not feel that the leaseholders' main concerns were addressed through these meetings.
- Cllr Barnes asked whether there had been the opportunity for leaseholders to have formal meetings with officers. Michael Jones said that there were two formal meetings, one in November 2019 and one in summer 2020. Since the S20 notices had been issued there had been a further meeting with the Leader of the Council (Cllr Joe Ejiofor) and the Managing Director of HfH (Sean McLaughlin). At the November 2019 meeting no indication had been given of the potential high costs that were now being quoted. Cllr Gordon asked if any minutes had been taken at the meeting with the Leader of the Council. Michael Jones said that he was not aware of minutes being taken and had not been notified of minutes being taken.
- Robbie Erbmann, AD for Housing, informed the Panel that there were 242 properties that the works were planned for, 76 of which were leasehold properties (39 resident leaseholders and 37 non-resident leaseholders).
- Asked by Cllr Diakides about the potential for alternative options, Sarah Klymkiw said that the leaseholders wanted a pause to be able to discuss options with officers and Cabinet Members. Alternative options could include:

- not having a pod at all and to incorporate the bathrooms back into the properties;
- to renovate and reclad the existing pods, estimated to cost around £10,000 per pod;
- to create permanent brick-built structures on the back of the properties.

- Asked by Cllr Brabazon whether the leaseholders had received a full breakdown of the estimated costs, Sarah Klymkiw said that she had only received a partial breakdown and that leaseholders had requested further information but were still waiting for this.
- Asked by Cllr Brabazon whether the leaseholders had been invited to attend meetings with officers/Cabinet Members, Sarah Klymkiw said that there were no meetings booked in but Catherine West MP had offered to Chair a meeting on their behalf. The leaseholders intended to take her up on this offer and would also be writing to Cllr Ejiofor to request his attendance. Michael Jones added that a recent letter from Cllr Ejiofor indicated that he would "be in touch shortly to confirm how we will conduct a further programme of engagement".

Cllr Gordon thanked Sarah Klymkiw and Michael Jones for their deputation and for the information pack that they provided to the Panel. Cllr Gordon said that the Panel was not in a position to answer the questions raised through the deputation as the Leader of the Council would be responsible for this. Cllr Gordon proposed that a special meeting of the Panel be held to which the Leader of the Council and others would be invited so that the Panel could put these questions to him directly.

RESOLVED: That a special meeting of the Housing & Regeneration scrutiny panel be organised to discuss the issues raised by the leaseholders of Noel Park and that the Leader of the Council be invited to attend to respond to questions from the Panel.

6. MINUTES

The minutes of the previous meeting held on 14th September 2020 were approved as an accurate record.

7. CABINET MEMBER QUESTIONS - STRATEGIC REGENERATION

Cllr Charles Adje, Cabinet Member for Finance and Strategic Regeneration, responded to questions from the Panel on regeneration issues:

- Cllr Yvonne Say asked about the take up on priority-option purchasing for local residents at major residential developments at Tottenham Hale. Cllr Adje said that he did not have that information to hand and that this matter fell under the Housing portfolio rather than his Regeneration portfolio. He said that he would discuss this with officers and arrange for this information to be provided to the Panel. **(ACTION)** Cllr Diakides added that these kind of measures were important factors when the Planning Committee makes its determinations on planning applications so this information would be useful to see in order to monitor how effective the measures have been. Rob Krzyszowski, Head of Planning Policy, Transport and Infrastructure, informed the Panel that all the Section 106 (S106) agreements were monitored including the clauses on priority housing for local residents. The more detailed monitoring was carried out by the Housing Enabling team. Asked by Cllr Diakides which Cabinet Member and senior officer was responsible for S106 agreements, Cllr Adje said that these were Cllr Matt White (Cabinet Member for Planning and Corporate Services) and Rob Krzyszowski.

- Cllr Brabazon asked whether any data was available on the progression of sales at Tottenham Hale. Cllr Adje said that he would need to engage with the Housing Enabling team to obtain that information, which he would then provide to the Panel. **(ACTION)**
- Cllr Brabazon asked for an update on negotiations with the GLA on funding for the redevelopment at Love Lane/High Road West. Cllr Adje said that more information was currently being awaited on this from GLA on next steps. He indicated that he would be happy to provide a further written update to the Panel if more information on this became available. **(ACTION)**. Asked by Cllr Diakides which Cabinet Member and senior officer was responsible for GLA negotiations, Cllr Adje said that the Regeneration team would usually lead in this area where he was the responsible Cabinet Member, supported by Peter O'Brien (Assistant Director for Regeneration and Economic Development). The Housing department may also be required to contribute in this area, led by Robbie Erbmann (Assistant Director for Housing).
- Cllr Say asked for an update on the Wood Green Area Action Plan (AAP). Cllr Adje said that the Plan had been revised following the last consultation, but the Planning Policy team were still awaiting a decision to be made on the Council's Accommodation Strategy. A number of sites within the AAP area were currently owned by the Council so the outcome of the Accommodation Strategy would have a significant bearing on the allocations and guidance and it would be premature to progress the AAP before this point. Asked by Cllr Gordon for a possible timescale on this work, Cllr Adje said that he could not provide a timescale but an engagement process with Members on the Accommodation Strategy would be taking place shortly and after this the next steps should become clearer. Asked by Cllr Hare whether there was anything to report on the possible Crossrail links relevant to the AAP and whether Panel Members could be provided with some written information explaining the current position, Cllr Adje said that he had nothing new to report on this. He added that the proposals were primarily the responsibility of TfL but he would find out what information could be provided to the Panel. **(ACTION)**
- Cllr Gordon asked for details on the Council's commercial portfolio, including on vacancy levels, the impact of Covid on the budget and what strategy was in place to maximise revenue. Cllr Adje said that in Q1 an offer was made for anyone experiencing difficulties given the Covid situation to contact the Commercial Portfolio Unit to discuss their requirements. The number of

contacts received from this offer was low but there was engagement with those that did, dealt with on a case-by-case basis. The process was repeated in June, again with a low number of new contacts received. As a result, a total of 83 rent deferrals were agreed in total. This has since reduced to 59 as some tenants have been able to pay in full or in part. There had been very few voids as a result of Covid, but with further adverse effects of Covid and the second lockdown on tenants, some increase in voids was expected in future with a consequent negative impact on commercial income. The Strategic Property Team has continued their work to conclude new leases and lease renewals which had resulted in some increases being achieved in rental income. The upgrading of commercial units was currently being looked at and an update would be available when work had progressed. Cllr Gordon asked if a written update could be provided detailing how many voids there were and what impact the reduction in income amounted to in actual figures. **(ACTION)**

- Cllr Gordon asked how many staff within Regeneration were directly employed by the Council and how many were retained on consultancies or as interims. Cllr Adje said that most Regeneration staff were permanent employees and less than 1% of staff were interims, either covering short-term pressures or utilising specific technical skills. The Regeneration team was constantly reviewing the need for interims and always looked to utilise the most efficient way of securing the resources required. Cllr Brabazon said that the 1% figure did not provide enough detail and asked for a more detailed breakdown explaining how many consultants and temporary staff were in use. **(ACTION)** Cllr Diakides observed that an audit seen by the Corporate Committee had raised concerns about the use of interim consultants in the property section. Cllr Adje said that the property team was not in his Regeneration portfolio but noted that the issues had been discussed at Corporate Committee and steps were being taken to deal with those matters.

8. HOUSING DELIVERY PROGRAMME UPDATE

Introducing this item, Cllr Ruth Gordon noted that the Panel was already familiar with this programme but wished to continue monitoring it on an ongoing basis including any ‘red flag’ issues. She noted that the Housing team had provided a spreadsheet to the Panel listing the housing delivery sites.

Robbie Erbmann, AD for Housing, said that good progress had been made on the number of sites on the programme in the previous couple of months and seven new people had been recruited to the team. Building work was progressing at Joy Gardner House on Templeton Road which was the first direct delivery site. Despite the lockdown, the team was feeling confident about hitting 1,000 starts by March 2022, though it would take quite a lot longer than originally planned to reach 1,000 completions.

Robbie Erbmann then responded to questions from Panel Members:

- Asked by Cllr Gunes about the potential impact of Covid or other adverse factors on the programme, Robbie Erbmann said that there had been a significant impact on the programme caused by the first lockdown, such as migration of staff to online working, the pausing of work on some sites and the shortage of some building supplies. The impact of Covid was continuing in the second wave with most sites estimated to be working at only approximately two-thirds of their normal pace but the same pattern of problems was not being seen in the second lockdown when compared to the first.
- Askes by Cllr Barnes what a realistic timescale for the 1,000 completions would be, Robbie Erbmann said that the latest estimates were for May/June 2024, though the timescales for this type of project does often change.
- Asked by Cllr Barnes what a realistic housing completion target for the next administration might be, Robbie Erbmann said that there were now sites with capacity for up to 2,000 under active development so, given the time required to get developments planned and built on a site, finishing the 1,000 completions and then getting a further 1,000 starts on site could be a reasonable target for a 2022-26 administration.
- Asked by Cllr Barnes about demand for different types of home, Robbie Erbmann said that the existing aim was to build decent sized homes with outdoor space and he wasn't sure that the pandemic had dramatically changed people's housing needs, but should make everyone resolute not to deliver bad housing because poor quality accommodation causes additional problems for people in such circumstances.
- Asked by Cllr Barnes about the potential impact of Brexit on the programme, Robbie Erbmann said that this would depend on whether there was any disruption in the market or on building supplies. The supply of labour could also be a problem, and while local labour initiatives and apprenticeships could play a part in encouraging local people into the industry, the shortage of labour could impact negatively on timescales for the programme. As this was a national issue, it would be difficult to mitigate against these problems, not least because contractors for around half the programme had not been selected yet.
- Cllr Brabazon welcomed the spreadsheet listing the housing delivery sites but noted that it did not include more information about each project and said that the Panel needed to see more detail on the progress and finances for each site. Robbie Erbmann said that some information can be shared with the Panel, but other details, such as commercially sensitive financial information, cannot be shared. Robbie Erbmann said that another conversation about specifically what information can be shared with the Panel could take place after the meeting. **(ACTION)** Cllr Brabazon accepted that commercially sensitive information was confidential but said that the most important aspect that the Panel needed to see was the project management information which showed which aspects of the programme were making progress and where there was slippage.

- In response to a question from Cllr Diakides, Robbie Erbmann said that about 200 completions could be expected by March 2022. He said that he did not have figures to hand on how many of these would be direct delivery and how many would be acquisitions but would supply this information after the meeting. **(ACTION)**
- Asked by Cllr Diakides about whether there was any risk of underspending GLA subsidies for housing, Robbie Erbmann said that he was comfortable that the Council's allocation would be spent. The allocation was to start 600 homes on site by March 2022, but his expectation was that it could go some way beyond that.
- Asked by Cllr Diakides about weaknesses in consultation processes, Robbie Erbmann said that two new people had been recruited to work on engagement and consultation. This brought the number of staff up to a team of three and it was possible that further resources may need to be added. There were around 70 sites in the programme which would require a lot of consultation. He added that moving to online consultation processes was also a difficult new aspect that everyone was learning to do better.
- Asked by Cllr Gunes for more general information about the programme, Robbie Erbmann noted that a summary report had been provided to the Panel at the previous meeting on 14th September. This was before Cllr Gunes had joined the Panel but the report and minutes were available on the website. Any further information required could be provided on request.
- Asked by Cllr Gordon whether building work on the Welbourne site had stopped due to Covid, Robbie Erbmann said that a number of workers had to come off site for a short period but the progress on the site was actually ahead of schedule so this was not expected to have a major impact on the programme.

Cllr Gordon proposed that the Housing Delivery Programme should become a standing item for future Panel meetings. **(ACTION)**

<u>Community Benefit Society</u>

Robbie Erbmann then introduced the report on the Community Benefit Society (CBS). He said that in July 2018 the Cabinet had agreed to establish the CBS which enables the Council to acquire homes using retained Right to Buy receipts and lease them to the CBS, which then lets them to homeless households. The leases last for seven years after which the properties return to the Council's HRA. The additional income generated from the lease helps the Council to secure higher quality homes in, or near, the borough; and also ensures that these homes are let at affordable levels.

The CBS had been operational for about a year and it was now leasing 134 homes, of which 129 were occupied. Another 20 properties were expected to be leased in the next month. In addition, 21 modular units from Ermine Road would be leased from March. An additional donation of 16 units had been received from the Hill Foundation.

To date, £46.7m had been spent on these properties, 30% of which came from retained Right to Buy receipts.

Robbie Erbmann then responded to questions from the Panel:

- Asked by Cllr Say what would happen to properties outside the Borough after the seven year period, Robbie Erbmann said that they could be sold, but that there was already some Council housing outside of the Borough so there would be a number of options, including another seven-year lease.
- In response to a question from Cllr Brabazon, Robbie Erbmann said that Homes for Haringey (HfH) provide the housing management on behalf of the CBS. Cllr Brabazon asked about an incident of overflowing rubbish at the IBSA blocks in Barnet which are owned by the CBS, as it had been difficult to establish responsibility for the housing management. Robbie Erbmann said that the problem had been caused by the properties being furnished and then residents taking their own furniture out of storage resulting in some furniture being left outside the blocks. All residents had been contacted and items were being removed by the HfH Estate Services team.
- Asked by Cllr Brabazon for further details about governance structures, Robbie Erbmann said that the CBS had five Board Members. Of these, two were appointed by the Council (of which he was one) and three were independent. The management services were provided by HfH and problems were dealt with in the same way as any other properties in the Council's portfolio. An ALMO client management team was being introduced which would include a role specifically for looking after the CBS properties.

Due to time constraints, it was agreed that the report on Woodside Avenue be deferred to the next meeting. **(ACTION)**

9. CABINET MEMBER QUESTIONS - HOUSING AND ESTATE RENEWAL

Cllr Emine Ibrahim, Cabinet Member for Housing and Estate Renewal, responded to questions from the Panel:

- Cllr Gunes asked about the type of social housing to be delivered through the Housing Delivery Programme. Cllr Ibrahim said that all of the social rent properties to be delivered through the programme would be Council homes at Council rent levels.
- Asked by Cllr Diakides whether she was confident that the financial problems with ALMOs experienced in Croydon could not occur in Haringey. Cllr Ibrahim said that a number of solutions had been put forward by various Councils over the years to try to meet the challenge of delivering social housing. Haringey

Council had decided to deliver this through the HRA a couple of years ago, when the HRA borrowing cap was lifted, so she was confident that Haringey would not end up in the same situation.

- Cllr Diakides asked about weaknesses in consultation processes, Cllr Ibrahim said that she was aware of the issues, which were common across the sector, and expressed concerns about the problems of engaging with hard to reach groups. This would be exacerbated by the need to rely on online solutions in the current circumstances so it would be important to continue to try to find solutions.
- In relation to the Housing Delivery Programme, Cllr Brabazon asked about the West Indian Cultural Centre which was marked on the spreadsheet provided to the Council as 'direct delivery', though she said that her understanding was that it was being delivered through Paul Simon Magic Homes. Cllr Ibrahim said that, to her knowledge, there was an ongoing conversation with the Cultural Centre about delivering something in partnership. Robbie Erbmann added that there was a long leasehold interest at the Centre, which had an existing relationship with Paul Simon Magic Homes, but that did not necessary mean that the Council would need to deliver the new homes through this route. In response to further questions, he added that there was no current agreement between the Council as freeholder and the leaseholder interest to deliver a scheme.
- Cllr Brabazon queried why Stokely Court and Chettle Court were listed on the Housing Delivery Programme spreadsheet as she had understood that these were not being put up for development. Cllr Ibrahim said that, in relation to Stokely Court, the debate had been on the type of development and what happened to the existing blocks and not on whether there would be more homes delivered there. The Council did intend to deliver something on this site, but a conclusion had not been reached on what this would look like. She said that, in relation to Chettle Court, the development would be on a piece of vacant land. This would not involve the demolition of the block and residents had been written letters to reassure them of this.
- Cllr Say asked about Waltheof Gardens being listed on the Housing Delivery Programme spreadsheet as she understood that a conservation area was being extended to cover this area. Robbie Erbmann said that he would provide written information to the Panel on this site. **(ACTION)**
- Cllr Gordon said that, of the 379 units listed as being delivered up to March 2021, 320 were acquisitions rather than direct delivery. She asked whether this trend would continue throughout the programme. Cllr Ibrahim said that acquisitions were obviously quicker, so were showing up near the beginning of the programme, but this was not the basis of the programme as a whole. The acquisitions could only be purchased for the purpose of using them for Council rent if they could be obtained for the right price. She said that direct delivery would be the more sustainable option in the long-term. Cllr Gordon said however that the expected demolition of Council housing and the acquisition of

500 homes from Lendlease at Love Lane would continue the trend of acquisitions. Cllr Ibrahim said that this was a historic scheme and did not sit within her portfolio as it was a redevelopment issue.

- Cllr Gordon asked about the number of staff employed in the Housing Delivery team and whether any of the team had been diverted to other duties because of Covid. Robbie Erbmann said that the team was now up to 25 staff and all were working directly on the programme and had not been diverted elsewhere. More staff would need to be recruited as the programme developed. Cllr Brabazon asked how this recruitment was being funded. Cllr Ibrahim said that they were funded through the HRA and Robbie Erbmann added that the costs can be capitalised as they were working on major capital programmes.
- Asked by Cllr Brabazon how she engages with the HfH governance processes, Cllr Ibrahim said that she meets with the Managing Director of HfH, Sean McLaughlin on a regular basis. She confirmed that she attended the last Board meeting and would continue to do so.
- Cllr Diakides asked whether the delivery of new homes by March 2022 could be speeded up. Cllr Ibrahim said that it would be difficult to do this as it was important not to cut corners in terms of planning and the quality of build.
- Cllr Diakides asked about the cost of acquisitions and whether Council properties could be sold to the CBS rather than to developers when cross-subsidies were required, Cllr Ibrahim said that this was a good question and that she would arrange for a written response to be provided to the Panel on this. **(ACTION)**

Cllr Gordon noted that there had not been time to go through all the questions that had been submitted to Cllr Ibrahim in advance and it was agreed that the written answers should be circulated to the Panel. **(ACTION)**

10. MAINTENANCE SERVICE LEVEL AGREEMENTS - HOMES FOR HARINGEY

Mark Baigent, Interim Executive Director of Property Services at Homes for Haringey (HfH) introduced the report for this item which set out how the communal repairs on Council estates are carried out by HfH. There were around 9,000 such repairs carried out each year and the report set out how those works were ordered and the improvements made in this area.

Mark Baigent responded to questions from the Panel on the report:

- Cllr Barnes noted the targets for response times as set out in paragraph 3.1.1 of the report and asked how often these targets had been missed. Mark Baigent said that he did not have this information to hand and would respond on this in writing, noting that there are monthly performance indicators for the target time on emergency repairs and for non-urgent repairs. **(ACTION)** He explained that the data reported on was for all repairs and not just those in communal areas. Cllr Barnes said there would be no need to separate out the communal repairs from the data as she would prefer to see the data for all repairs in full.

- Asked by Cllr Barnes how residents report repairs if they do not use the App. Mark Baigent said that residents can call the Contact Centre which would report jobs through to the Repairs team at HfH.
- Cllr Diakides asked whether there was a cyclical maintenance programme to minimise the long term costs. Mark Baigent said that HfH was working on a new Asset Management Strategy which would set out plans for the next five years and was scheduled to go to Cabinet for approval in January. This would cover all areas of the programme including cyclical works. Cllr Diakides suggested that the Panel should look at the Strategy to see if it could make any useful suggestions. **(ACTION)**
- Asked by Cllr Diakides whether there was a sinking fund for leaseholders to pay in to cover maintenance costs, Mark Baigent said that he would look into this and provide a written response to the Panel. **(ACTION)**
- Cllr Brabazon said that some communal areas on estates, such as Broadwater Farm, could sometimes be poorly lit and asked why improvements to these had not been carried out. Mark Baigent said that, as noted in the report, the Haringey Repairs Service will sometimes identify areas in need of improvement and major works in the course of carrying out a repair and will then provide a report to the Asset Management Team with their recommendations. He added that he would speak to David Sherrington, Director of Broadwater Farm, to see how had been built into their refurbishment plans for these blocks. **(ACTION)**
- Cllr Barnes said that she was aware of cases when residents reported problems at annual site inspections and, though these were logged, residents later reported that the repairs had not been carried out. Mark Baigent said that the Estate Management staff who had carried out the inspection would feed the reports back to the Repairs team. There would then be conversations about the priority for works to be carried out and then orders placed on the repairs system. Safety issues would usually take priority. Mark Baigent confirmed that the reports were logged and could be tracked through the system. Cllr Gordon also described occasions when she had attended estate inspections where issues were diligently logged by officers only to find many of the same issues being reported again the following year having not been fixed. Mark Baigent said that he would need to take this feedback to look into why this was occurring.

11. WORK PROGRAMME UPDATE

Cllr Gordon noted that the additional special meeting of the Panel on Noel Park would be added to the Work Programme.

Cllr Gordon proposed that the remaining evidence sessions for the High Road West scrutiny review, which had been suspended earlier in the year due to the pandemic, should be held in long sittings of the Panel, perhaps over two days. Cllr Hare agreed with this approach and expressed an interest in gathering further evidence on some of the examples of developments in Brussels that had been described by Professor Mark Brierley in his evidence to the Panel.

Cllr Gordon also reported that she had been approached by the Chair of the Adults & Health scrutiny panel about the possibility of holding a joint scrutiny meeting on the subject of sheltered accommodation which could be added to the Work Programme.

Cllr Diakides suggested that an item on funding models relating to the ALMO and the HRA and an item on asset disposals be added to the list of items to be considered by the Panel for future meetings.

RESOLVED – That the Work Programme for 2020/21 be updated on the basis of the above discussion and circulated to the Panel.

12. DATES OF FUTURE MEETINGS

- 15th Dec 2020
- 2nd Mar 2021

CHAIR: Councillor Ruth Gordon

Signed by Chair ………………………………..

Date …………………………………

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Agenda Item 7

Report for: Housing & Regeneration Scrutiny Panel, 15th December 2020

Title: Scrutiny of the 2021/22 Draft Budget / 5 Year Medium Term Financial Strategy (2021/22-2025/26)

Report authorised by: Jon Warlow, Director of Finance and Section 151 Officer

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

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 2021/22 Draft Budget / 5-year Medium Term Financial Strategy (MTFS) 2021/22 – 2025/26 proposals relating to the Scrutiny Panels' remit.

2. Recommendations

2.1 That the Panels consider and provide recommendations to Overview and Scrutiny Committee (OSC), on the 2021/22 Draft Budget/MTFS 2021/22-2025/26 and 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 Draft Budget/MTFS. 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/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. 2021/22 Draft Budget & Medium Term Financial Strategy (MTFS) 2021/26

5.1 The MTFS agreed by Council in February 2020 assumed two years of relatively low budget gap (£1.9m & £3.1m) for 2021-2023; this was before the pandemic. The pandemic continues to have a significant adverse effect on the wider economy and public finances, reducing demand and supply in the short and medium term, presenting individuals, businesses and organisations with unprecedented challenges. The medium to long-term impact is unknown, though the OBR has forecast a return to pre-pandemic levels will not take place until late 2022.

5.2 The impact of Covid-19, has been such that the Council has fundamentally reconsidered its corporate planning including its change programmes and, reviewing the outputs and learning from the Recovery and Renewal work to understand the changed context in which it now works.

5.3 This Draft 2021/22 Budget and 2021/26 MTFS has sought to respond to this shift in Borough Plan via its General Fund (GF) and Housing Revenue Account (HRA) financial strategies and capital investments, including a more holistic approach to achieving organisational transformation and associated revenue savings, via work that spans across the organisation's departments. It also incorporates our best understanding of the ongoing implications of the COVID-19 pandemic on our services and plans. It has been clear all the way through what have been many months of financial planning that this would be an extremely difficult budget for the Council. Before making any additional savings and the recent SR20 announcements, the Council's forecast budget gap for 21/22 had increased to £17m, an increase of £15m on the February forecast.

5.4 The recent SR 20 provides some level of financial improvement to this and other authorities for next year's budget, including additional social care grants. However, the main opportunity it provides for local authorities, including this council, is to generate funding to protect services at this key moment by increasing its council tax income. This draft budget therefore includes an assumption of additional income from a general council tax increase of 1.99% (the threshold set by government is 2%) and a further Adults Social Care Precept of 3% (the maximum allowed by Government), which give a total council tax charge increase of 4.99%. This proposed increase forms part of the budget consultation.

5.5 As it stands (and before any late adjustments), the Council is able set out a balanced draft budget for 2021/22, but only with a significant one-off use of £5.4m of reserves.

5.6 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 18th January 2021 for discussion, prior to approval and referral to Cabinet for consideration in advance of the Full Council meeting on 22nd February 2021. For reference the remit of each Scrutiny Panel is as follows:

- Housing & Economy Priorities - Housing and Regeneration Scrutiny Panel
- Place Priority - Environment and Community Safety Scrutiny Panel
- People (Children) Priority – Children and Young People Scrutiny Panel
- People (Adults) Priority – Adult and Health Scrutiny Panel
- Your Council Priority – Overview and Scrutiny Committee

5.7 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.

5.8 **Appendix B** is the Draft 2021/22 Budget & 2021/26 MTFS considered by Cabinet on 8th December 2020. This report sets out details of the draft Budget for 2021/22 and Medium Term Financial Strategy (MTFS) 2021/26, including budget reductions, growth and capital proposals. This includes details of estimated funding for 2021/22 and the remainder of the planning period and highlights areas of risk.

5.9 **Appendix C** provides details of the new revenue and capital budget proposals relevant to each Panel/Committee. A summary is provided, followed by detailed information for each proposal. Any invest to save revenue proposal dependent on capital or flexible use of capital receipts for successful delivery has been clearly identified in the summary.

5.10 **Appendix D** lists the pre-agreed savings relevant to each Panel/Committee. This document provides additional context and background to enable a more robust scrutiny of the draft proposals. Attention is also drawn to the 2020/21

Quarter 2 Finance Update Report presented to Cabinet on 8th December 2020 which provides a summary of the in year budget implications facing the authority which has informed the 2021/22 Draft Budget proposals now presented. The Council's 2020/21 Budget Book provides details of service budgets for the current year.

6. Contribution to strategic outcomes

6.1 The Budget Scrutiny process for 2021/22 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 draft Borough Plan sets out the Council's overarching commitment to tackling poverty and inequality and to working towards a fairer Borough.

7.5 The Council is also bound by the 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.

7.6 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.

7.7 The Council has designed the proposals in this report with reference to the aims of the Borough Plan to reduce poverty and inequality. The Council is committed to protecting frontline services wherever we can and the budget proposals have focused as far as possible on delivering efficiencies or increasing income, rather than reduction in services.

7.8 As plans are developed further, each area will assess the equality impacts and potential mitigating actions in more detail. Final EQIAs will be published alongside decisions on specific proposals.

7.9 Any comments received will be taken into consideration and included in the Budget report presented to Cabinet on 9th February 2021.

8. Use of Appendices

Appendix A – Key lines of enquiry for budget setting

Appendix B – 2021/22 Draft Budget &2021/26 Medium Term Financial Strategy Report (presented to Cabinet 8th December 2020)

Appendix C – 2020 New Budget Proposals

Appendix D **-** Pre-agreed savings

9. Local Government (Access to Information) Act 1985

Background papers: 2020/21 Quarter 2 Finance Update Report - Cabinet 8th December 2020
https://www.minutes.haringey.gov.uk/documents/s119987/Q2%20Finance%20Update%20Report%20ver2.0%20Cabinet%20FINAL.pdf

2020/21 Budget Book
https://www.haringey.gov.uk/sites/haringeygovuk/files/haringey_2020-21_budget_book.pdf

Appendix A

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?

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Report for:	Cabinet 08 December 2020
Item number:	To be added by the Committee Section
Title:	**2021-22 Budget and 2021-2026 Medium Term Financial Strategy**
Report authorised by :	Jon Warlow, Director of Finance
Lead Officer:	Frances Palopoli, Head of Corporate Financial Strategy & Monitoring
Ward(s) affected:	All
Report for Key/ Non Key Decision:	Key

1. Describe the issue under consideration

1.1 This report sets out details of the draft Budget for 2021/22 and Medium Term Financial Strategy (MTFS) 2021/26, including budget reductions, growth and capital proposals. This includes details of estimated funding for 2021/22 and the remainder of the planning period and highlights areas of risk. The report recommends that budget proposals are released for public consultation and Scrutiny consideration. The report addresses the impact that the Covid-19 pandemic has had on the financial planning process this year and the steps that the Council has taken to respond to this challenge. It also incorporates the Council's present best estimate of the implications of the Spending Review 2020 (SR20). The implications of expected further details from Government yet to be received, including the Local Government Funding Settlement, will be taken into consideration before the Final Budget for 2021/22 and Medium Term Financial Strategy (MTFS) 2021/26 are considered by Cabinet – to include its response to the consultation - and Full Council for ratification in February 2021.

1.2 The current MTFS 2020/25 that Full Council approved in February this year assumed two years of relatively low budget gap (£1.9m & £3.1m) for 2021-2023, was before the pandemic. The pandemic continues to have a significant adverse effect on the wider economy and public finances, reducing demand and supply in the short and medium term, presenting individuals, businesses and organisations with unprecedented challenges. The medium to long-term impact is unknown, though the OBR has forecast a return to pre-pandemic levels will not take place until late 2022.

1.3 Covid-19 affects everything local authorities do – as community leaders, public health authorities, education authorities, employers, partners and service deliverers. The Council is continuing to focus on responding to the crisis while ensuring normal critical services are provided. The proposals within this report address the financial implications of the Council's response to its community's needs.

1.4 The pandemic has had a profound impact on all areas of the Council's finances. In the 2020/21 financial year the gross variation from budget is anticipated to be around £40m in the general fund alone. At the current time of writing not all of this is covered by confirmed government funding. The Council's Quarter 2 in-year budget monitoring reporting shows that the net pressure arising from Covid-19, taking into account government funding announced to date is around £4m (over and above other base budget pressures that need to be managed). This of course remains under constant review, as there are a large number of uncertainties around how the pandemic will impact the Council's finances going through the winter of 2020/21. The pandemic will also have a legacy impact on the Council's finances, the larger implications relating to growth pressures, income collection and the Council's savings programme.

1.5 While the budgetary impact of the pandemic is unprecedented, the Council also continues to focus on the implications of the UK's impending exit from the EU (Brexit) and its potential to significantly impact on budget plans and available resources. It is not possible to quantify the impact that this may have, which is further reason that the Council maintains sufficient financial resilience.

1.6 As is this Council's practice, it sets out here a budget which is intended to recognise and respond to forecast demands upon the Council and taking a realistic view of its circumstances. A detailed challenge to the growth and savings assumptions in the existing MTFS was undertaken alongside base budget pressures highlighted as part of the in year budget monitoring. As in previous years the Council's budget also reflects unavoidable demand led growth for services in its annual budgeting to ensure all budgets which are set are realistic and reflect the reality of demand that exists for certain services. As a consequence, the Council is proposing here to invest a further £8.6m, primarily into its Adults and Children's services to meet care needs (before savings).

1.7 The impact of Covid-19, has been such that the Council has fundamentally reconsidered its corporate planning including its change programmes and, reviewing the outputs and learning from the Recovery and Renewal work to understand the changed context in which it now works.

1.8 The Recovery and Renewal planning focussed on:

- Looking again at the Borough Plan priorities and principles and reflecting on what needs to change as a result of Covid-19, including as part of conversations with partners, to understand systems-wide perspective

- Reviewing our service delivery, to meet the challenge of delivering services in a new world of living with Covid-19 and doing so in a smaller budget envelope

- Working with partners to understand the systems-wide impact

1.9 The 2019 Borough Plan already focuses on tackling inequality and unfairness and the impact of Covid-19 has highlighted the increased urgency of some of our priorities. The Council is now increasingly focussing on intervening early and preventing issues from escalating, building wealth back into Haringey communities, sustaining the positive impact that we have seen on the environment during the crisis period, and helping people to use digital methods of communication to interact with us and each other. Going forward, the refreshed Borough Plan will prioritise deliveringeconomic recovery, health and wellbeing and strengthening our communities through the five Borough Plan priorities:-

- Housing - a safe, stable and affordable home for everyone, whatever their circumstances

- People - our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential

- Place - a place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green

- Economy - a growing economy which provides opportunities for all our residents and supports our businesses to thrive

- Your Council - the way the council works

1.10 This Draft 2021/22 Budget and 2021/26 MTFS has sought to respond to this shift in Borough Plan via its General Fund (GF) and Housing Revenue Account (HRA) financial strategies and capital investments, including a more holistic approach to achieving organisational transformation and associated revenue savings, via work that spans across the organisation's departments. It also incorporates our best understanding of the ongoing implications of the covid pandemic on our services and plans. It has been clear all the way through what have been many months of financial planning that this would be an extremely difficult budget for the Council. Before making any additional savings and the recent SR20 announcements, the Council's forecast budget gap for 21/22 had increased to £17m, an increase of £15m on the February forecast.

1.11 The recent SR 20 provides some level of financial improvement to this and other authorities for next year's budget, including additional social care grants. However, the main opportunity it provides for local authorities, including this council, is to generate funding to protect services at this key moment by increasing its council tax income. This draft budget therefore includes an assumption of additional income from a general council tax increase of 1.99%

(the threshold set by government is 2%) and a further Adults Social Care Precept of 3% (the maximum allowed by Government), which give a total council tax charge increase of 4.99%. This proposed increase forms part of the budget consultation.

1.12 As it stands (and before any late adjustments), the Council is able set out here a balanced draft budget for 2021/22, but only with a significant one-off use of £5.4m of reserves. It has not been possible at this time to fully address the forecast financial impact of Covid on next year without such a use of reserves.

1.13 The Council always maintains a five year future forecast of its finances via its MTFS. After the above assumptions and taking account of planned greater future years savings, it is still forecasting a gap of circa £8m for 2022/23 and more in subsequent years. This points towards a difficult budget round again next year and this underlines the significance of the Council's proposal's for council tax increases this year.

1.14 How this gap will be closed will need to be addressed by this time next year. Given the extent of changes already factored into our plan, this will be very challenging to the Council.

1.15 Despite the financial pressure on the Council, it continues to look to respond in new ways to the most pressing demands upon it. The proposed budget for next year now includes additional funding for the following:

- Free Schools Meals - £0.300m funding in 2021/22 and 2022/23 (on top of the £0.050m pa put in place in 2019/20)
- Welfare Assistance Scheme - £0.3m funding in 2021/22 and 2022/23
- Voluntary and Community Sector – £0.25m in 2021/22
- Youth Services – £0.25m in 2021/22
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

1.16 While like all Councils our revenue budget remains tightly constrained, our capital programme also provides important opportunities to address our communities' needs. The report also sets out substantial proposed additions to the current General Fund Capital Programme including funding for:

- the creation on the Wood Green Youth Hub: £1m
- further school conditions work: £33m
- increased investment in our roads, pavements and other public realm: £18m
- expansion of the strategy to tackle empty homes: £5m
- the completion of the Pendarren refurbishment: £4.6m
- replacement of the Adults Social Care system: £2.5m

- the Good Economy Plan £2m, and a number of additional workspace creation schemes: £3.4m
- implementing the Alternative Provision Strategy: £12m
- the complete refurbishment of the Civic Centre £14.25m (additional to existing budget of £9.75m).

1.17 For schools, the indicative Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined. This includes the concerning implications of the on-going budget pressure on the High Needs Block (HNB) from legislative changes to service provision responsibilities introduced in the 2014 Children and Families Act. While this is, to an extent, addressed by the increase in High Needs DSG grant announced for 2021/22 and onwards, the council has a significant annual deficit and a difficult legacy position to be addressed in the form of a negative carried forward DSG reserve. The Government is considering what if any additional assistance will be provided to local authorities to address this position.

1.18 The report includes the draft Housing Revenue Account (HRA) revenue budget and HRA Capital programme, incorporating the work on updating the HRA Business Plan. This is a complex plan and Members should be aware that there may be further changes before the final budget package is presented in February, though this will not affect the rent proposals for 2021/22 included here.

1.19 The 2021/22 Budget and 2021/26 MTFS will continue to be refined between now and mid-February when the final plans will be presented to Cabinet for consideration before presenting to Full Council on 22 February 2021 for ratification. This will include the detailed implications of SR20, the local government funding settlement figures and the Cabinet's response to consultation. As part of this further work, additional opportunities for reducing the reliance on reserves to balance the 2021/22 budget will continue to be explored.

1.20 The developments most likely to impact on the 2021/22 Budget plans presented in this report before February are:

- Further clarity on the funding announcements contained within SR20
- funding changes in the provisional & final Local Government Finance settlement
- the outcome of public consultation, equalities impact assessments and any recommendations from Overview and Scrutiny committee
- further refinement of the HRA business plan and consequent changes to the capital programme
- any further significant change in assumptions around Covid-19 or Brexit

2. Cabinet Member Introduction

2.1 This is a progressive budget at a time of hardship.

2.2 The last 6 months has been unprecedented. The impact of the global coronavirus pandemic has been felt in every home, business and community in our borough. What began as a public health crisis swiftly became a food crisis, a housing crisis, an education crisis and an economic crisis. This has demanded unprecedented action from Haringey Council. In particular we have had a relentless focus on the most vulnerable people in our community – taking action to protect and support our people.

2.3 This has taken a toll on our finances. In the current year the gross financial impact of the pandemic is around £40millon compared to our planned budget. Due to the sound management of our finances, the authority was able to do what was necessary knowing that we were not at risk as an organisation. This was particularly important given lack of clarity from central Government about whether they would fulfil their commitment to meet the costs of Covid.

2.4 The budget monitoring reports I have presented this year not only highlight the scale of the impact of Covid on the organisation's finances, but also highlight that progress that has been made on stabilising our business as usual budgets, and delivering on our planned MTFS savings programme. The budget reductions proposed in this report focus as much as possible on delivering efficiencies, service re-design, programmes which cut across departmental boundaries or increasing income instead of service level cuts.

2.5 The Council remains alive to reviewing all budget risks and savings programmes annually, and underlying pressures such as base budget issues which have arisen, demographic growth that is unavoidable and savings that will be delayed or no longer achievable, are all addressed as part of the 2021/22 Budget now proposed, though this report shows that it will not be possible to set a balanced budget for the 2021/22 financial year without utilising Council reserves of £5.4m. This budget has clearly been much more challenging when compared to the £0.6m gap presented at this time last year, however this reflects the effects of the pandemic on our organisational financial resilience.

2.6 The November Spending Review has made things clearer and we welcome the additional resources that have now been confirmed. However, Covid and the resulting recession will have a continuing impact on our finances, made worse by the chronic underfunding from 10 years of austerity. So, we will continue to call on Government to properly fund local councils so that we can serve our communities and build a fairer society.

2.7 Despite this hugely challenging situation we are proud that we have developed a budget in line with our values. It invests in young people, supports the most vulnerable and those impacted hardest by the pandemic, and seeks to build our local economy.

2.8 This budget includes real additional resources in 2021/22 for:

- Free Schools Meals: £300k
- A Welfare Assistance Scheme: £300k
- Our local Voluntary and Community Sector: £250k
- Youth Services: £250k
- Haringey Fairer Education Fund (University bursary scheme): £120k
- Recruitment of local people: £100k over the next two years

2.9 In addition, our capital programme will invest more than £90m of additional investment to address our communities' needs and invest for the long term. This includes:

- creation of the Wood Green Youth Hub: £1m
- further school building improvements work: £33m
- increased investment in our roads and pavements: £19m
- expansion of the strategy to tackle empty homes: £5m
- completion of the Pendarren refurbishment: £4.6m
- the Good Economy Recovery Plan: £2m. Additional workspace creation schemes: £3.4m
- implementing the Alternative (school) Provision Strategy: £12m
- the complete refurbishment of the Civic Centre £14.25m (additional to existing budget of £9.75m) creating a public building we can all be proud of.

2.10 This budget also maintains measures implemented in previous years such as the Council Tax Reduction Scheme (CTRS), and London Living Wage (LLW) rates. These vital commitments, alongside our continued investment in public services, are only possible through an increase in council tax income. This draft budget proposes a general council tax increase of 1.99% and a further Adults Social Care Precept of 3% (the maximum allowed by Government), which give a total council tax charge increase of 4.99%.

2.11 The increase for a Band D property (excluding GLA element) is £1.32 per household per week and we continue to have a comprehensive Council Tax Reduction Scheme that means that over 15,000 pay no Council Tax at all.

2.12 We recognise that raising council tax at this time will be an additional ask at a challenging time for some. However, without these resources we would have to cut back the support and services for the most vulnerable in our borough. We do not believe that this is the right thing to do.

2.13 The new 10 year HRA financial plan supports the delivery of increased number of new homes in the borough, with greater proportion of these new homes being developed for social rents. The proposed increase in spend on existing homes further highlights the Councils commitment to improving the quality of life of residents, ensuring homeless households are provided a safe place to live, and maintaining the overall safety of our dwellings.

2.14 Haringey was characterised by unacceptable inequalities before this pandemic and it has got worse. The financial challenge we face does not diminish our commitment to build a more equal borough – as you can see from this budget.

2.15 Indeed, we will redouble our efforts to build the houses we need, create opportunities for our young people; and ensure a cleaner, greener Haringey.

3. Recommendations

3.1 It is recommended that Cabinet:

a) Note the initial General Fund revenue and capital budget proposals and financial planning assumptions set out in this report and note that they will be refined and updated after the final Local Government Finance Settlement is received in January 2021 and also to incorporate further budget changes as required;

b) Note the Draft General Fund 2021/22 Budget and MTFS (2021/22 to 2025/26) detailed in this report and Appendix 1;

c) Note the Draft budget reduction proposals summarised in Section 7 and Appendix 2;

d) Note the Draft General Fund Capital Programme for 2021/22 to 2025/26 as set out in Appendix 4;

e) Note the Draft Housing Revenue Account (HRA) revenue and Capital Programme proposals and HRA Business Plan as set out in Section 9;

f) Note the 2021/22 Draft Dedicated Schools Budget (DSB) and update on the DSG reserve position set out in Section 10;

g) Note that the detailed proposals will be submitted to Overview and Scrutiny Committee / Panels in December 2020 and January 2021 for scrutiny and comments;

h) Agree to commence consultation with residents, businesses, partners, staff and other groups on the 2021/22 Budget and MTFS.

i) Note that an updated budget 2021/22 Budget and MTFS (2021/22 – 2025/26) will be put to Cabinet on 9th February 2021 to be recommended for approval to the Full Council meeting taking place on 22nd February 2021.

4. Reasons for decision

4.1 The Council has a statutory requirement to set a balanced budget for 2021/22 and this report forms a key part of the budget setting process by setting out the forecast funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are maintained on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy.

5. Alternative options considered

5.1 The Cabinet must consider how to deliver a balanced 2021/22 Budget and sustainable MTFS over the five-year period 2021/26, to be reviewed and ultimately adopted at the meeting of Full Council on 22nd February 2021.

5.2 Clearly there are options available to achieve a balanced budget and the Council has developed the proposals contained in this report after determining levels of both income and service provision. These take account of the Council's priorities, the extent of the estimated funding shortfall, estimated impact of Covid-19, Brexit and the Council's overall financial position.

5.3 These proposals are subject to consultation both externally and through the Overview & Scrutiny process and the outcomes of these will inform the final budget proposals.

6. General Fund Revenue Funding Assumptions

6.1 The Council has access to five main sources of funding:
- Business Rates
- Grants
- Council Tax
- Fees & Charges
- Reserves

Business Rates and Grants are largely driven by the outcome of Spending Rounds and the Local Government Finance settlement.

The following paragraph provides an update on the Spending Round 2020 (SR20) and the Local Government Finance Settlement. This is then followed by a section on each of the main sources of funding and sets out the assumptions made in this draft 2021/22 Budget & MTFS 2021/2026 about each of them.

SR20 and Local Government Finance Settlement 2021/22

6.2 On 20 October 2020 government announced that, in order to prioritise the response to Covid-19, the Chancellor and the Prime Minister have decided to conduct a one-year Spending Review, setting department's resource and capital budgets for 2021-22, and Devolved Administration's block grants for the same period. This replaces the planned 3 year Spending Round.

6.3 The Spending Review 2020 (SR20) was announced on 25 November 2020 and comprised of three themes:-

- Tackling Covid-19 next year
- Stronger public services
- Capital spending, including infrastructure to drive UK's recovery and support jobs

6.4 The SR20 is set in the context of the OBR report that was also published on 25 November. This forecast a 11.3% fall in GDP in 2020 and, despite expected growth in 2021, it is unlikely that the economy will return to pre-C19 levels before the end of 2022.

6.5 The funding allocations to Local Government are summarised in the table below. This shows a 4.5% increase in Core Spending Power nationally. This includes core grants, business rate income and council tax.

Table 6.16: Local Government

	£ billion		
	2019-20	2020-21	2021-22
Resource DEL excluding depreciation[1]	7.5	8.6	9.1
Covid-19 resource DEL excluding depreciation	1.6	3.5[2]	3.0
Total DEL[3]	9.1	12.1	12.0
Core Spending Power (CSP)	**46.2**	**49.0**	**51.2**

6.6 The Government has announced funding of £1.55bn to support local authorities with Covid-19 pressures next year and it remains to be seen as to whether it is sufficient to cover the pressures faced by local authorities, including any further responsibilities they might be given. Government also confirmed the extension of the existing Covid-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021.

6.7 Also announced was £670 million of additional grant funding nationally to help local authorities support the more than 4 million households that are least able to afford council tax payments – this points to an extension of the current Hardship Fund which is providing additional assistance of up to £150 for those on the CTRS scheme. It should be noted that the Council continues to maintain and budget for its comprehensive council tax reduction scheme, as amended in 2019/20.

6.8 The announcements in the SR20 which are more pertinent to setting the 2021/22 Budget are described in the following paragraphs along with the estimated impact for Haringey. Up to the point that the draft Local Government Finance Settlement is published, which is not expected before early-mid December, the final detail will not be known and the figures must be treated as best estimates.

6.9 There will be £300 million of new grant funding for adult and children's social care, in addition to the £1 billion announced at SR19 that is being maintained in 2021-22 in line with the government's previous commitment. Haringey's share of the new funding is estimated to be £1.25m and has now been built in.

6.10 The New Homes Bonus (NHB) scheme will continue in 2021/22, with no new legacy payments, but consultation will commence shortly on reforms to this scheme with effect from 2022/23. In the light of this uncertainty, the draft MTFS now removes any expectations for NHB funding beyond 2021/22.

6.11 The referendum threshold for increases in council tax will remain at 2% for 2021/22 which is in line with the existing MTFS. Additionally, the SR20 announced that local authorities will be able to levy a 3 per cent adult social care precept which can be the spread across two years. Given the forecast use of reserves to balance the 2021/22 budget coupled with the level of growth required in the Adult social care budget, this draft assumes the full 3% is levied from 2021/22; this is estimated to deliver £3.2m for Haringey next year with an ongoing benefit into subsequent years. MHCLG will set out full details of the council tax referendum principles and adult social care precept flexibility as part of the consultation on the detailed methodology for the Local Government Finance Settlement for 2021-22.

6.12 The SR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. However, the lack of detail available at the present time doesn't allow any budget adjustments to be proposed.

6.13 The SR20 confirmed that government expects to publish a final report setting out the full conclusions of the review of the business rates system in Spring 2021. To support businesses in the near-term, the government has decided to freeze the business rates multiplier in 2021-22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision via Section 31 grants.

6.14 Earlier this year, the government announced that it would delay the move to 75 per cent Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic.

6.15 In order to provide further stability to the sector, the SR20 confirmed that government has decided not to proceed with a reset of business rates baselines in 2021-22. The draft budget and MTFS have been amended to reflect this.

6.16 The SR20 also announced a reform to the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield, which presents a risk for both national and local taxpayers. The government will cut PWLB lending rates to gilts + 100bps for Standard Rate and gilts + 80bps for Certainty Rate. It is unclear at this time what impact this will have for Haringey but it is not expected to be large and therefore the current budget assumptions have not been amended at this time.

6.17 The SR20 made announcements for all government departments and the following are those thought likely to have the greatest impact for local authorities. At this point, it is not possible to make any assumptions about the financial impact for Haringey and any changes arising from these will need to be reflected in the February 2021 report:

- £16m to support modernisation of local authorities' cyber security systems;
- £15bn for NHS test and Trace;
- £2.1bn for PPE next year;
- £254m of additional resource funding to support rough sleepers and those at risk of homelessness during COVID-19, including £103m announced earlier this year for accommodation and substance misuse support;
- £98m of additional resource funding, bringing total funding to £125m, to enable local authorities to deliver support to victims of domestic abuse and their children in safe accommodation in England;
- £165m for Troubled Families;
- Over £70m for additional school transport capacity;
- £24m in capital funding to start a new programme to maintain and expand provision in secure children's homes;
- £60m for Social Housing Decarbonisation;
- £1.7bn in 2021-22 for local roads maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity. This includes £500m for the Potholes Fund and £310m for upgrades to larger local roads;
- £257m for cycling, which will fund thousands of miles of safe, continuous and direct cycling routes;
- £621m to regenerate high streets, town centres and communities through the Towns Fund; and
- The £4bn levelling up fund, which will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery.

Covid-19 Impact on the Collection Fund

6.18 As the Covid-19 Pandemic has had a negative impact on the collection of local taxation, authorities due to record deficits on their Council Tax and NNDR collections for 2020/21 will be able to spread these evenly over the next three financial years in order to smooth out the impact. There will not be discretion for authorities to opt out of spreading and the rules apply exclusively to deficits occurring in 2020/21.

6.19 At the moment, Haringey is forecasting a general fund impact of £2.7m due to the reduction in NNDR collection for 2020/21. This is included in the new budget assumptions. In line with government guidance, a deficit of £0.9m is estimated for the first three years of the MTFS period.

6.20 The Authority has received £46.2m in additional funding in order to accommodate a 100 per cent business rates discount for eligible hereditaments occupied by businesses that are classified as in retail, leisure and hospitality sectors, regardless of rateable value and which are subject to business rates in the year 2020-21. This funding has been applied to the collection fund and has been taken into account when calculating the estimated deficit.

6.21 Council Tax Collection has not been impacted to the same extent as NNDR and the Authority is still forecasting a surplus for each year of the MTFS period. Part of the reason for this is due to the broad CTRS scheme in place in Haringey coupled with the Hardship funding which has enabled us to support taxpayers through this difficult time. However, for the first three years, this is expected to reduce by £0.5m pa which is the spreading of the estimated 2020/21 collection shortfall over the next three years, in line with government guidance.

6.22 The number of working age claimants on the authority's Council Tax Reduction scheme has increased by 1122 since March 2020, when the first Lockdown was announced. This currently impacts on the expected receipts for 2020/21 and on the budgeted figure for 2021/22. Additional support for residents on the Authority's Council Tax Reduction Scheme is being provided via the Council's £3.7m share of a £500m Covid-19 Hardship Fund.

Business Rates

6.23 A number of changes were introduced to business rates in April 2017 including a revaluation of the business rates base. Although, the revaluation was revenue neutral nationally, some businesses in Haringey would have seen increases in their business rates charges. For small businesses in this position, relief was provided in the form of a three-year transitional grant that is administered and distributed to affected businesses in each year during the transition period.

6.24 When the new localised business rates system was introduced in 2013, it set a 'baseline' for each local authority against which growth could be measured. It was recognised that the baseline would need to be re-visited after a number of years to ensure that the incentive to grow businesses in local areas was maintained.

6.25 The intention was for Business Rates Baselines to be reset from April 2020, however in SR19 Government announced that this would be delayed until April 2021. The recent SR20 has confirmed a further delay to April 2022 and the impact of this on 2021/22 has been modelled into this draft budget. This provides a benefit to the council in 2021/22 as the reliefs described above, paid to the Council as Section 31 grants, will continue for a further year.

6.26 The Council has been part of the London Pool since 2018/19. In that year, London retained 100% of business rates locally, generating a significant additional benefit to the Council (£6.4m). The estimated financial benefit to Haringey in 2020/21 pre-pandemic was £2.7m - £3m due to a lower percentage (75%) being retained in London. The latest in-year monitoring exercise suggests that, despite the impact of the pandemic, there will still be a net financial benefit from pooling in 2020-21, totalling approximately £30 million across the Capital.

6.27 Haringey, along with the rest of the existing members of the London Pool, has provisionally expressed an interest to MHCLG in continuing the arrangement in 2021/22 not least because of the operational, administrative and strategic benefits. As with last year, each authority will have until 28 days after the provisional settlement (i.e. likely by mid-January) to decide formally whether it wishes to continue to pool. By that time, the Government will have confirmed the position on the reset and the level of any extension to emergency reliefs and grants to businesses as a response to the pandemic. Because of the uncertainty around financial benefits of pooling, no share of pool growth has been assumed in next year's budget or any future years of the current MTFS. This position will be kept under review and any required update included in the next report.

6.28 A decrease in the collection rate for 2020/21 is forecast, due to the impact of the pandemic and this will impact on the General Fund in 2021/22. The Government has announced that collection fund deficits which arise due to reduced collections and 2020/21 and would normally hit general fund budgets in 2021/22 will be spread across a 3 year period. The SR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. However, the lack of detail available at the present time doesn't allow any budget adjustments to be proposed.

6.29 Currently, the MTFS assumes a 0.9% increase in business rates income in 2021/22 and a 1.5% increase in 2022/23 – both are lower than the 2% yearly increase previously assumed, reflecting the current inflation environment.

6.30 The planning assumption across the MTFS period is that there will be no net growth in the business rates taxbase / hereditaments. This is in line with previous assumptions.

6.31 In terms of Revenue Support Grant (RSG), current estimates are that approximately £22.1m will be paid in 2021/22 with this grant increasing in line with CPI across the remainder of the MTFS period.

6.32 The estimated mandatory reliefs applied to Haringey businesses are £6.7m in 2021/22. These reliefs cover, among others, discounts for small businesses and will be fully reimbursed via Section 31 Grants by Central Government. From 2022/23, it is expected that the Section 31 Grants will be rolled into the SFA and the Council's Top Up grant will be increased partially but not fully compensating the loss in Section 31 Grant on the back of the expected Reset. The impact of the Reset can be seen in the estimated dip in business rates related income overall in 2022/23.

6.33 SR20 announced a freeze to the business rates multiplier in 2021/22. The Council will be fully reimbursed for this via a Section 31 grant. The impact will be reflected in the February report.

6.34 The forecast income across the MTFS period from business rates related income, including revenue support grant is shown in table 6.1 below.

Table 6.1 – Business Rates Related Income Forecast

Business Rates Related income Forecast	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2024/25 £'000
Revenue Support Grant	21,993	22,169	22,502	22,952	23,411	23,645
Business Rates Top Up	58,412	58,880	62,305	63,524	64,743	65,391
Retained Business Rates	22,100	20,642	21,656	22,080	22,504	22,729
NNDR Surplus/(Deficit)	(1,654)	(900)	(900)	(900)	0	0
S31 Grants	6,019	6,675	-	-	-	-
Share of Pool Growth	400	-	-	-	-	-
Total	**107,270**	**107,467**	**105,563**	**107,656**	**110,658**	**111,765**

6.35 There are considerable planned and potential changes to the business rates regime beyond 2021/22. These are set out below:

- Business rate baselines are expected to be reset in 2022/23.
- The Government have been consulting on a simplification of the Business Rates Retention scheme including how growth can be incentivised and how it can be measured. SR20 confirmed government intention to publish a final report in Spring 2021

- The outcome of the Fair Funding Review is still awaited. This will impact on business rates as it derives each authority's baseline funding against which growth is measured.

6.36 Because of the uncertainty beyond 2021/22, the assumptions in Table 6.1 and their impact on the MTFS are open to significant risk.

Council Tax

6.37 The following assumptions have been made about Council Tax:-

- A 1.99% increase in Council Tax in 2021/22 and for each subsequent year is assumed (subject to the referendum limits set by Government)
- A 3% increase in ASC Precept for 2021/22 only, as announced in the SR20
- The tax base is forecast to grow by 1% per annum throughout the MTFS planning period
- The collection rate will be at least 95.50% throughout the planning period. This has been reduced by 1% compared to the previous year for 2021/22 and 2022/23 and is projected to increase to 96% in 2023/24, before reverting back to the pre-Covid 19 level of 96.5% in the subsequent years.
- The Council Tax Collection Fund account has had surpluses over the past few years. The forecasting has been refined in order to include the impact of Covid-19 and is reflected in a reduced forecast surplus across the MTFS period (£1.68m for the first three years, increasing to £2.15m for each subsequent year).

6.38 The resulting projections for Council Tax income and Band D Rates are set out below. These figures are subject to confirmation of the council tax base, which is due to be finalised in January 2021 and formal Council ratification of Council Tax Rates in February 2021.

Table 6.2 Council Tax Assumptions

COUNCIL TAX ASSUMPTIONS						
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Taxbase before collection rate	80,067	81,392	82,206	83,028	83,858	84,697
Taxbase change	1.7%	1.0%	1.0%	1.0%	1.0%	1.0%
Taxbase for year	81,392	82,206	83,028	83,858	84,697	85,544
Collection Rate	96.50%	95.50%	95.50%	96.00%	96.50%	96.50%
Taxbase after collection rate	**78,543**	**78,507**	**79,292**	**80,504**	**81,732**	**82,550**
Council Tax increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	2.00%	3.00%	0%	0%	0%	0%
Band D rate	£1,372.55	£1,441.04	£1,469.72	£1,498.97	£1,528.80	£1,559.22
Council Tax Before Surplus (£000)	**£107,805**	**£113,131**	**£116,537**	**£120,673**	**£124,952**	**£128,713**
Previous Year (Estimated) Surplus	£2,175	£1,675	£1,675	£1,675	£2,175	£2,175
CIPFA Counter Fraud Income	£0	£25	£25	£25	£25	£25
Council Tax Yield (£000)	**£109,980**	**£114,831**	**£118,237**	**£122,373**	**£127,152**	**£130,913**

Grants

6.39 The Council receives a number of grants in addition to its main funding allocation. The Council is mostly allowed to use these grants to fund any council services, but some are ring-fenced, which means they can only be spent on specific services.

Social Care Grants

6.40 Estimated inflationary increases of 0.9% in 2021/22, 1.5% in 2022/23 and 2% in 2023/24 are applied to the values in Table 6.3 below, however the SR 20 announced that specific grants would remain ‘cash flat’ for 2021/22; this is subject to confirmation at the Draft Local Government Finance Settlement in December. This will need to be kept under review and the February 21 MTFS will be updated when further details emerge. Forecast figures for 2022/23 onwards remain uncertain and should these assumptions not materialise, it could have a significant impact on the current forecast gap across those years.

6.41 It should also be noted that all these social care grants have been netted against the service budget expenditure heads rather than being shown separately.

Table 6.3 – Social Care Grants

Grant Name	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Better Care Fund (BCF) - (CCG Contribution)	6,017	6,047	6,077	6,108	6,108	6,108
Improved Better Care Fund (iBCF)	9,518	9,566	9,613	9,661	9,661	9,661
Social Care Support Grant	6,960	6,995	7,030	7,065	7,065	7,065
Additional Social Care Funding *	0	1,250	1,250	1,250	1,250	1,250
Total	**22,495**	**23,857**	**23,971**	**24,084**	**24,084**	**24,084**

* Announced at SR20. Estimated amount based on previous allocations, actual amount to be confirmed

Core Grants

6.42 Following the outcome of the SR20, the current MTFS assumptions for the Core Grants received by Haringey are as follows:

- Public Health Grant will continue to be received by Haringey. The MTFS prudently assumes no increases to the amount over the five year period.
- New Homes Bonus – SR20 confirmed that the New Homes Bonus (NHB) scheme will continue in 2021/22, with no new legacy payments, but consultation will commence shortly on reforms to this scheme with effect from 2022/23. In the light of this uncertainty, the draft MTFS now removes any expectations for NHB funding beyond 2021/22.
- The Council Tax Support and Housing Benefit Admin Grants are expected to continue at 2020/21 levels in 2021/22 (£2m) and remain at this level across the remainder of the MTFS.
- Section 31 (S31) grants in relation to mandatory business rate reliefs are expected to continue for 2021/22 but beyond that it is expected that these will be rolled in to the baseline figures and come through as part of the SFA (as outlined in the Business Rates section above).
- The Flexible Housing Support Grant (FHSG) was originally established in 2017 for three years but was extended by one year again in 2020/21. As a consequence of its renewal, the current 2020/21 budget and 2020/25 MTFS built this grant into base budgets. With an annual value of £7.7m it poses a significant risk to the authority if it is withdrawn or reduced. The draft plan therefore now assumes a £1m reduction in funding. This grant has been allocated directly to the Housing service so is not included in Table 6.4 below.

6.43 The table below shows assumptions about these grants over the 5-year MTFS period.

Table 6.4 – Core Grants

Grant Name	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Council Tax Support Grant	457	457	457	457	457	457
Housing Benefit Admin Grant	1,491	1,491	1,491	1,491	1,491	1,491
Public Health Grant	20,228	20,228	20,228	20,228	20,228	20,228
New Homes Bonus	2,199	2,089	- 0	0	0	0
Business Rates - Section 31 Grants	6,019	6,678	-	-	-	-
Total	**30,393**	**30,942**	**22,175**	**22,176**	**22,176**	**22,176**

Fees and Charges

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

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

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

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

6.48 The impact of fees and charges increases have been included in the revenue income projections in the MTFS.

Use of Reserves

6.49 The Council's (Non-Earmarked) General Fund Balance is held to cover the net impact of risks and opportunities and other unforeseen emergencies. The funds held in the General Fund Reserve can only be used once and therefore are not a recurring source of income that can meet permanent budget gaps.

6.50 As it stands the Council is able to set a balanced budget, only with a significant one-off use of £5.4m of reserves in 2021/22.

6.51 The February 2021 Cabinet and Full Council reports will provide a more comprehensive review of the overall sufficiency of Council reserves as part of the S151 statement. However, it should be recognised here that the need to maintain sufficient levels of reserves to help the authority cope with unforeseen changes in circumstances must be more important now than ever before.

Summary of Corporate General Funding Assumptions

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

Table 6.5 – Funding Assumptions

	Source of Funding	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		£'000	£'000	£'000	£'000	£'000	£'000
Table 6.1	Revenue Support Grant	21,993	22,169	22,502	22,952	23,411	23,645
	Top up Business Rates	58,412	58,880	62,305	63,524	64,743	65,391
	Retained Business Rates	22,100	20,642	21,656	22,080	22,504	22,729
	NNDR Growth	400	-	-	-	-	-
	NNDR Surplus/(Deficit)	(1,654)	(900)	(900)	(900)	0	0
Table 6.2	Council Tax	107,805	113,132	116,536	120,673	124,952	128,713
	Council Tax Surplus	2,175	1,700	1,675	1,675	2,175	2,175
Tables 6.3 and 6.4	New Homes Bonus	2,199	2,089	- 0	0	0	0
	Public Health	20,228	20,228	20,228	20,228	20,228	20,228
	Other Core Grants	8,634	8,626	1,951	1,951	1,951	1,951
	Total (External) Funding	**242,292**	**246,566**	**245,953**	**252,183**	**259,964**	**264,832**
	Contribution from Reserves	-	5,440	-	-	-	-

7. General Fund Revenue Assumptions

7.1 2020/21 Financial Performance – General Fund Revenue

7.1.1 The 2020/21 Budget Update report, also part of this Cabinet agenda, provides an update on the Quarter 2 budget position. Since the budget was agreed, the lock-down and associated Government directed actions in response to the Covid-19 pandemic has significantly impacted on the Council's agreed budget and Borough Plan delivery. The forecasts provided in that report are as up to date as possible and based on the most recent return to central government (i.e. at month 7 of the financial year). However, there remains great uncertainty, not least associated with the impact of the second wave of the virus and the current and further local or national lockdowns.

7.1.2 The Budget Update report separates the General Fund (GF) impact of Covid-19 and base budget related pressures. Some of the latter can be mitigated however, some will need to be resolved by permanent budget adjustments and as such are now built into the draft 2021/22 Budget as growth items. In any large organisations it must be accepted that some plans will require change as the result of internal and/or external factors, and the growth built into the draft budget is a reflection of both of these.

7.1.3 At this stage, the biggest impact of Covid-19 on future budgets is slippage in delivery of some planned MTFS savings which has been built into the Budget and MTFS now presented.

7.1.4 Covid-19 is also expected to impact significantly on Business Rates and Council Tax (Collection Fund) income and the forecast impact has been built into the draft proposals presented in this report. The latest guidance from Government is that any Collection Fund deficits must be spread over three years, which is how it has been modelledSR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. However, the lack of detail available at the present time doesn't allow any budget adjustments to be proposed.

7.1.5 The Dedicated Schools Grant (DSG) year-end forecast has worsened this quarter and now stands at £5.3m (£4.6m Qtr1). This is due to the on-going pressures in the High Needs Block (HNB) which Members will be aware is a national issue facing the entire local government sector mainly as a consequence of the expansion of age ranges for EHCP eligibility. Over the course of the year more clarity has been received over the ultimate responsibility for this overspend and the brought forward balances from prior years, and authorities may not now use general fund balances to contribute to DSG deficits without approval from the government. The Government is considering what if any additional assistance will be provided to local authorities to address this position.

7.1.6 In summary, the key underlying budget pressures that have manifested during this financial year which services cannot mitigate will be resolved as part of the

2021/22 budget setting process. In terms of the in year GF forecast of non-Covid 19 related overspend (£5.9m) officers will continue to work on reducing this to bring it to a balanced position by March 2021 to avoid having to draw on reserves which will be much needed in 2021/22 to offset on-going pandemic pressures and any wider economic impacts.

7.2 Budget Growth / Pressures

7.2.1 As clearly outlined above, the 2021/22 financial planning process has sought to identify, and where possible address, budget pressures and necessary growth in order that the 2021/22 Budget in particular, but also the MTFS 2021-2026, are set are realistically as possible – matching forecast expenditure against forecast income and deliverability of newly proposed savings.

7.2.2 Some growth for the period to 2025 was already built into last year's MTFS and the financial planning work undertaken this year has reviewed the assumptions driving those figures, updated them where appropriate and has also assessed new pressures or identified growth.

7.2.3 The main corporate assumptions across the forthcoming 2021-2026 period are outlined below followed by a paragraph which focusses on the policy priorities and service specific items.

7.3 Pay Inflation

7.3.1 The pay deal for 2020/21, was agreed at 2.75%. Negotiations are underway over the next agreement and firmer information might be available for the February report but the current planning assumptions are c. 3% increase for the next 2 years. Beyond that, it reduces to around 2.5% for the remainder of the MTFS period.

7.4 Non-Pay Inflation

7.4.1 The assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that (a) some contracts include inflation-linked increases (b) utility costs continue to be volatile and difficult to predict and (c) legislative changes can impact on cost of services. An increase of £2m pa has been built into the following two years to recognise potential volatility from Brexit and Covid legacy. Thereafter it returns to £1m pa.

7.5 Employer Pension Contributions

7.5.1 The outcome of the last triennial valuation, which covered the period 2021/22 – 2022/23, confirmed that the Pension Fund performance allowed for a decrease in the Council's contribution rate of 0.5% each year for three years, equating to a saving of c. £0.5m per annum each year. No assumptions have been made about the next triennial valuation.

7.6 Treasury & Capital Financing

7.6.1 The MTFS has been updated to reflect the capital financing costs associated with the new capital schemes that are proposed. These are reflected in the Capital Strategy at section 8 of this report.

7.6.2 These figures may require revision depending on the outcome of consultation and scrutiny of the capital investment proposals between now and the final Cabinet report in February 2021 & the final Treasury Management Strategy Statement presented to Full Council later that month.

7.7 Levies

7.7.1 The current assumption is that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2020/21 figures across the period.

7.7.2 The NLWA's North London Heat and Power Project will replace the existing Energy from Waste plant at the Edmonton EcoPark with an Energy Recovery Facility and includes a new Resource Recovery Facility. This major project will have financial implications for each of the 7 London boroughs involved, representing 2 million people. The existing MTFS assumed a £0.5m p.a. levy increase to commence from 2021/22, due the impact of increased borrowing costs which must be met by the levy.

7.7.3 The 2020/21 Levy was lower than the budgeted figure and, as this increase was no longer applicable, it was agreed for this amount to be transferred to a reserve in order to smooth the future financial pressure. This will be drawn on when required. The budget assumptions across the MTFS period will be revisited before February, when the intended Levy levels will be announced for 2021/22.

7.8 Policy Priorities

7.8.1 Since the start of this Administration, the following policy priorities have received additional funding through the annual budget setting cycles:

- Council Tax Reduction Scheme - £1.6m
- Youth Services programme - £0.25m
- Apprenticeship support - £0.134m
- School meals pilot - £0.05m
- London Living Wage – pump priming to deliver

7.8.2 Despite the significant challenges to set a legal, balanced budget for 2021/22, a number of policy growth proposals have been incorporated into the draft budget and MTFS. These are set out in the table below:-

- Free Schools Meals £0.3m funding in 2021/22 and 2022/23
- Welfare Assistance Scheme £0.3m funding in 2021/22 and 2022/23

- Voluntary and Community Sector – £0.25m in 2021/22 only
- Youth Services – £0.25m in 2021/22 only
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

7.9 Service Budget Adjustments Required

Service Growth Budget Adjustments

7.9.1 The table below shows the service specific growth proposals made necessary by base budget or demand pressures and built into the draft MTFS.

Table 7.1 – Service Growth Budget Adjustment Proposals

Priority	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
People - Adults	2,300	0	0	0	0	2,300
People - Children's	3,046	(459)	(264)	0	0	2,323
Your Council	367	66	(300)	0	0	133
Place	2,721	(355)	0	0	0	2,366
Economy	175	0	0	0	0	175
Total	**8,609**	**(748)**	**(564)**	**0**	**0**	**7,297**

7.9.2 The biggest service areas requiring growth in this budget continue to be in the People Priorities. As in the last couple of years, the Council has recognised the growing pressure in these critical services which cannot be fully contained through service transformation alone. Clear action has therefore been taken once again to address these forecast budget issues in order that the Services are provided with realistic budgets to work within. This has been a key feature of recent years' budget process where robust action is taken to address clearly evidenced budget pressures.

7.9.3 It is forecast that the Adults service will need to address both demographic and inflationary pressures coupled with an expected growth in Mental Health and Learning Disabilities support required as a legacy of the Covid-19 pandemic. The figures have been generated by detailed modelling and trend analysis.

7.9.4 Children's services are now seeing growth above that provided in the last MTFS (£0.5m) and therefore £2.2m has been built into the relevant budgets for next year. The key pressure points are SEND, both service demand and transport pressure but more significantly placement costs due to an increase in children with more complex needs.

7.9.5 The growth provided in thePlace priority is required to address a recognised shortfall in the facilities management budgets, for both soft and hard services, as well as to resolve a number of areas where budgeted and actual income have become mis-aligned over time including CCTV, Pay by Phone, Residential Permit Parking income, plus reactive maintenance and the clamping contract.

7.9.6 The remaining growth proposals look to address historic or forecast base budget pressures across a number of service heads.

Impact of Delayed and Undeliverable Savings Proposals

7.9.7 The table below shows the delayed and undeliverable savings proposals now built into the draft MTFS.

Table 7.2 – Delayed and Undeliverable Savings

Priority	2021/22		2022/23		2023/24		2024/25		2025/26		Total	
	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings
	£'000		£'000		£'000		£'000		£'000		£'000	
Adults	1,621	0	(710)	0	(911)	0	0	0	0	0	0	0
Children	1,066	390	(1,066)	125	0	0	0	0	0	0	0	515
Place	0	200	0	50	0	0	0	0	0	0	0	250
Economy	120	100	30	0	20	0	(100)	0	(70)	0	0	100
Housing	(136)	0	(136)	0	136	0	136	0	0	0	0	0
Your Council	252	318	(252)	250	0	0	0	0	0	0	0	568
Total	**2,923**	**1,008**	**(2,134)**	**425**	**(755)**	**0**	**36**	**0**	**(70)**	**0**	**0**	**1,433**

7.9.8 The majority of the delayed savings have occurred as a consequence of the Covid-19 Pandemic and are forecast to be realised in future years, after rigorous review and challenge.

7.10 Budget Reduction Proposals / Savings

Pre-Agreed Budget Reduction Proposals

7.10.1 The 2020 Budget and MTFS 2020/2025 agreed a total of £29.4m budget reductions to be delivered across that period. Whilst the Council was able to set a balanced budget for 2020/21, the MTFS acknowledged that a forecast of £15.6m as at yet unidentified additional savings would be required over the years from 2021/22 to match the assumed funding and expenditure plans at that point.

7.10.2 The table below summarises the position included in the February 2020 Budget/MTFS report.

Table 7.3 – Agreed Savings and Forecast Unidentified Savings at February 2020

Priority	Total					
	2020/21	2021/22	2022/23	2023/24	2024/25	Total Savings
	£000	£000	£000	£000	£000	£000
Housing	1,176	709	136	136	136	2,293
People - Adults	5,073	3,245	3,270	(376)	-	11,212
People - Children	2,261	909	419	100	200	3,889
Place	3,368	2,073	1,162	70	-	6,673
Economy	830	120	130	120	-	1,200
Your Council	2,934	536	687	6	-	4,163
Total Savings	15,642	7,592	5,804	56	336	29,430
Unidentified Savings	0	1,954	3,178	6,684	3,743	15,559
Total Savings Requirement	15,642	9,546	8,982	6,740	4,079	44,989

Approach to Budget Reduction Proposals / Savings 2021-2026

7.10.3 The financial planning process this year had looked to build on the progress made last year where the budgets adjustments agreed were more realistic and understood and owned by the wider organisation; the forecast budget gap for 2021/22 in last year's MTFS was £1.954m and this would have allowed the organisation to develop larger scale, transformational programmes to address the widening gap beyond 2021/22.

7.10.4 The subsequent impact of the global pandemic (Covid-19) has led to a significant shift in the MTFS assumptions in place when the last budget and MTFS were agreed. This, in particular, led to a downwards assessment of local tax revenues as set out in more detail in Section 6 of this report. It also impacted on the ability for the Council to deliver agreed savings to the set timeframes. A detailed challenge to the growth assumptions in the existing MTFS was also undertaken alongside base budget pressures highlighted as part of the in year budget monitoring. The impact on the revised forecast gap for 2021/22 was significant with an estimated shortfall of £17m, an increase of £15m to the forecast in February.

7.10.5 This highlighted the need for change to take place at a faster pace. Furthermore, with the forecast level of budget reductions required for 2021/22, it became apparent that a focus purely on a directorate led basis would be unable to achieve the magnitude required. This would also have been a barrier to progressing the more transformational, council-wide changes which emerged as a key output from the Recovery and Renewal activity which:-

- Looked at our borough plan priorities and principles and reflected on what needed to change as a result of Covid-19, including as part of conversations with partners, to understand systems-wide perspective

- Reviewed our service delivery, to meet the challenge of delivering services in a new world of living with Covid-19 and doing so in a smaller budget envelope

- Worked with partners to understand the systems-wide impact

7.10.6 This led to the formulation of cross-cutting programmes described briefly below which have identified forecast budget reductions albeit requiring a longer lead in time, so not delivering fully until 2022/23+:-

- Digital Together - An empowered, energised and enabled resident community engaging with us through increased digital channels that quickly direct them to the right resources through anticipation of their needs.
  A more digitally aware and confident council, embracing digital technologies to maximise our opportunities
  These actions will enable the removal of duplication and non-standard processes and consolidation of activities and processes delivering a reduced cost base.

- Property – initial focus on the generation of capital receipts for 2021/22 to provide investment to support transformational activity. Longer term, opportunities are being pursued for the Council's property portfolio to enable and deliver general fund revenue savings e.g. Savings from operational property / progress with the Accommodation Strategy; support for the Localities strategy; asset rationalisation and the commercial portfolio.

7.10.7 Through the Covid-19 pandemic, we have learned more about the day to day impacts of inequalities and about how we could change as an organisation. We need to connect with local residents to support them with the wide range of issues they may be facing at the very earliest opportunity, using a range of methods including access to digital.

7.10.8 In addition to the above cross-cutting programmes we will focus more on three areas of activity:

- Being close to residents – by working out in localities and improving our digital offer, ensuring that we can shape what best suits local neighbourhoods, making use of local strengths
- Intervening earlier – proactively building confidence and skills and not waiting until a crisis point is reached before we and partners step in
- Extending our reach – building trust by working in partnership with local community organisations

7.10.9 The total new budget reduction proposals arising from both the Directorate led and cross-cutting programmes are set out in Table 7.4 below.

Table 7.4 – New Budget Reduction Proposals by Priority

Priority	2021/22	2022/23	2023/24	2024/25	2025/26	Total Proposals
	£000	£000	£000	£000	£000	£000
Housing	483	68	51	12	1	615
People - Adults	1,537	0	0	0	0	1,537
People - Children	321	319	30	30	0	700
Place	2,361	1,575	(1,380)	1,300	160	4,016
Economy	550	0	0	0	0	250
Your Council	846	138	0	0	0	984
Subtotal	**6,098**	**2,100**	**(1,299)**	**1,342**	**161**	**8,102**
Cross-Cutting Proposals	750	2,250	0	0	0	3,000
Total	**6,848**	**4,350**	**(1,299)**	**1,342**	**161**	**11,102**

7.10.10 When added to the pre-agreed reductions for next year (£7.6m initially – revised down to £3.7m largely as a consequence of the Covid-19 Pandemic – as presented in Table 7.2), the total to be delivered is £10.5m in 2021/22. A summary of the future years' total savings position across the MTFS, including those agreed in previous budget rounds, is provided in Appendix 3.

7.10.11 To help de-risk the budget in future years, officers have assessed delivery confidence of all the new proposals and have re-profiled agreed savings that have been impacted by the pandemic. Whilst the new proposals have yet to be agreed, as they are subject to scrutiny and consultation, work will continue by officers to look to identifying means of amending the status of risk and a final update will be provided in the February report. All proposals have been reviewed by the Policy and Equalities team and have been subject to initial equalities screening. Where these have indicated that full EqIA's will or might be required, work is progressing on completing these.

7.10.12 The monitoring of savings delivery in 2020/21 has, notwithstanding the impact of Covid-19 on plans, provided a growing assurance that services have a greater understanding of, and capacity to deliver, budget reduction proposals.

7.11 Summary Revenue Budget Position 2021/22 – 2025/26

The summary revenue budget position, including current projected gaps is identified below.

Table 7.5 – Summary Revenue Budget Position

	2020/21 Budget	2021/22 Draft Budget	2022/23 Projected	2023/24 Projected	2024/25 Projected	2025/26 Projected
Priority Area	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Housing	16,382	16,102	15,762	15,711	15,699	15,698
People - Children	55,189	58,721	57,083	57,189	57,459	57,459
People - Adults	83,784	83,375	80,827	82,977	86,079	86,079
Place	24,915	22,372	19,255	20,571	19,277	19,117
Economy	1,006	7,642	7,542	7,442	7,342	7,272
Your Council	35,999	32,893	30,063	29,757	29,757	29,757
Non-Service Revenue	25,017	30,902	45,487	56,687	62,953	66,153
Council Cash Limit	**242,292**	**252,006**	**256,019**	**270,333**	**278,565**	**281,534**
Planned Contributions from Reserves	-	(5,440)	-	-	-	-
Further Savings to be Identified	-	-	(10,041)	(18,125)	(18,576)	(16,677)
Total General Fund Budget	**242,292**	**246,566**	**245,978**	**252,208**	**259,989**	**264,857**
Council Tax	107,805	113,132	116,536	120,673	124,952	128,713
Council Tax Surplus	2,175	1,700	1,700	1,700	2,200	2,200
RSG	21,993	22,169	22,502	22,952	23,411	23,645
Top up Business Rates	58,412	58,880	62,305	63,524	64,743	65,391
Retained Business Rates	22,100	20,642	21,656	22,080	22,504	22,729
NNDR Surplus/(Deficit)	(1,654)	(900)	(900)	(900)	0	0
NNDR Growth	400	-	-	-	-	-
Total (Main Funding)	**211,231**	**215,623**	**223,799**	**230,029**	**237,810**	**242,678**
Core/Other External Grants						
New Homes Bonus	2,199	2,089	0	0	0	0
Public Health	20,228	20,228	20,228	20,228	20,228	20,228
Other core grants	8,634	8,626	1,951	1,951	1,951	1,951
TOTAL (Core/Other External Grants)	**31,061**	**30,943**	**22,178**	**22,179**	**22,179**	**22,179**
Total Income	**242,292**	**246,566**	**245,978**	**252,208**	**259,989**	**264,857**

7.11.1 The draft General Fund Budget 2021/22 presently has a budget gap of £5.4m, which is expected to be covered from reserves.

7.11.2 In undertaking this multi-year financial planning, the levels of uncertainty and risk increase substantially beyond the immediate budget for next year. Reference has been made above to the scale of the assumption made in regard to current and future years grants. This report elsewhere highlights the many other risks that may impact and increase the size of the gaps forecasted above for years 2 and beyond. This authority, like all other social care councils, must be particularly concerned about the risks regarding its care services finances. While the year-on-year cash limit profiles for our care services detailed above have been prepared with reference to best intelligence on future years grants, demographics, savings and other pressures, these need to be kept under closest review.

7.12 Review of assumptions and risks 2021/22 – 2025/26

7.12.1 The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment will be made as part of the final report on the Council's budget in February 2021 and will draw on independent assessments of the Council's financial resilience where available however, it is critical that this report outlines the assumptions and approach to risk taken when arriving at the budget proposals included in the draft Budget & MTFS.

7.12.2 Given the increased financial pressure that is falling upon this council's budget and the uncertain national political picture, this statutory role is acquiring more and more significance. The number and breadth of potential risks and level of uncertainty, particularly around the Covid-19 pandemic and Government funding, underlines the need to maintain both a budgeted resilience contingency and keep general and earmarked reserves at current levels.

7.12.3 The main uncertainties and risks identified to date which my impact on the Council's budget for 2021/22 and over the period of the MTFS are:

- Funding assumptions for 2021/22 are subject to the final local government settlement expected in January 2021 and therefore there may be changes; at this point we have yet to receive the provisional figures which places more risk on the assumptions.
- On-going uncertainty about the impact of the Covid-19 pandemic on 2020/21 budget and also future years. It is likely that Covid-19 will also impact on the level of Government resources for future years of the MTFS
- Brexit, with or without a trade deal with the EU, could put pressure on costs and increase inflation; staffing in critical social care & health services, on local tax income levels and potentially numbers presenting as No Recourse To Public Funds (NRPF)
- The shift to a one-year spending review with no announcements about funding beyond 2021/22. Therefore, professional judgement has had to be

used in forecasting funding for the later years of the MTFS. These assume that Government funding generally increases at an inflationary level, and that specific grants are not discontinued by the government. Should this assumed funding not be realised it will have a significant impact on the current forecast gap across those years. This will be kept under close review.

- The implications arising from the next Spending Round and the period that will be covered are not known
- Uncertainty over whether the London business rates pool will continue into 2021/22 and lack of clarity of the financial implications if it does
- The continued pressure on High Needs Block Dedicated Schools Block (DSG) resources, lack of a clear strategy for resolution from the DfE, although it is now confirmed that deficits are not currently to be funded by general fund resources
- The expected Fair Funding Review and redesign of the Business Rates Retention scheme did not complete during 2020/21 as expected. The impact on funding for the Council on the eventual outcomes of both are not known at this time
- Increases in London Living Wage in future years.
- The impact of pay and general inflation pressures above current assumptions
- General population increases that are expected over the next 5 years and any associated growth in demand - other than specifically allowed for – may lead to financial pressure.
- Planned actions to increase Council managed temporary accommodation options do not progress at the pace expected and/or are potentially exacerbated by Covid-19
- The Council’s Transformational Programmes do not deliver the required savings, do not deliver savings quickly enough, or are impacted by demographic trends particularly in critical areas such as Children’s and Adults Social Care and Temporary Accommodation.
- Any further deterioration in the forecast 2020/21 position including non-delivery of in year savings
- Business rates base negatively impacted by the impact of Covid-19, permanent shifts to on-line services and any economic slowdown

8. Council's Capital Strategy and Capital Programme 2021/22 – 2025/26

8.1 Introduction

8.1.1 This is the third capital strategy report that has been prepared since it became a mandatory requirement of local authorities to produce one. It gives a high-level overview of how capital expenditure, capital financing, and treasury management activities contribute to the provision of public services. It also provides an overview of how the risks of the capital programme are managed and the implications for future financial sustainability.

8.1.2 The Covid-19 pandemic has affected the Council's capital strategy as it responds to the ravages wrought by Covid-19. In particular the capital programme for 2020/21 has been redirected to provide for an acceleration of the school streets programme, revisions to the public realm works to create Covid-19 safe public spaces through widening pavements, works around school streets to make them safe and an early start to the capital works required for the Good Economy Recovery Plan. In addition, resources have been directed to providing emergency temporary accommodation for rough sleepers.

8.1.3 Looking forward, the Council's capital proposals include provision for a new youth hub in Wood Green £1m, a significant increase in investment in education with a further £33m allocated for condition works in schools, £12m into the Alternative Provision strategy and an £4.6m additional funding for Pendarren.

8.1.4 The proposals also include for overall investment of £5.5m in the Good Economy Recovery Plan, further investment in the economic future of the borough through its workspace creation programme and investment in Haringey Adults Learning Service (HALS).

8.1.5 The Council is also investing in the public realm through the Streetsplan scheme as well as further investment in pavements and the wider public realm all of which link to the Good Economy Recovery Plan through making high streets safe and welcoming places.

8.1.6 The Council continues to invest in housing through its new homes programme. This expenditure is contained within the housing revenue account (HRA) and is reported here in summary form and elsewhere on the agenda in detail.

8.1.7 There is additional investment in the empty homes scheme of £5m. This scheme aims to bring back into use homes that have been left empty for various reasons. Ultimately this may require the Council to exercise its compulsory purchase order powers (CPO) but to do so the Council must show that it has the resources available to complete the purchase. This budget supplies that evidence.

8.1.8 Finally, the proposals provide for significant investment in the Civic Centre to provide a place of civic pride for the borough.

8.1.9 Background

8.1.10 Capital expenditure in local government is defined in statute and accounting practices/codes and as such must be complied with. Within these rules, capital budgets and capital expenditure decisions offer the opportunity for the Council to profoundly affect the lives of its residents, businesses, and visitors in both the immediate and the longer term.

8.1.11 Capital programmes can shape the local environment (e.g. through the provision of new housing, traffic schemes or regeneration schemes); positively impact people's lives (e.g. through creating appropriate housing for adults with learning difficulties or investment in parks and open spaces); transform the way the Council interacts with local residents (e.g. through the libraries investment programme or proposals for a new customer service centre); and deliver fit for purpose schools. The advent of Covid-19 has highlighted how capital expenditure can be used to positively impact people's lives.

8.1.12 The key objectives for the Council's capital programme are to deliver the borough plan and assist the Council in meeting the financial challenges that it continues to face.

8.2 Capital expenditure and financing

8.2.1 Capital expenditure is where the Council spends money on a project, with the view to derive economic benefit from the outcome of the expenditure, for a period longer than twelve months. This also includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets.

8.2.2 The table below shows a high-level summary of the Council's outline capital spending in the medium-term i.e. for the financial years 2021/22-205/26 which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives.

Table 8.1: Capital expenditure plans overview 2021/22 - 2025/26

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	Total (£'000)
Previously Agreed							
General Fund Account (GF)	217,762	213,535	170,420	139,435	96,888		**838,040**
Housing Revenue Account (HRA)	236,331	214,146	204,392	165,200	194,501		**1,014,570**
Total =	**454,093**	**427,681**	**374,812**	**304,635**	**291,389**		**1,852,610**
Proposed							
General Fund Account (GF)		287,504	188,713	150,613	120,687	62,869	**810,385**
Housing Revenue Account (HRA)		246,071	307,941	303,515	198,722	159,846	**1,216,095**
Total =		**533,575**	**496,654**	**454,128**	**319,409**	**222,715**	**2,026,480**

8.2.3 The capital programme is composed of individual priority programmes. Within these priority totals there are schemes and within most schemes there are individual projects. For instance, Scheme 302, Borough Roads, will contain individual projects on individual roads.

8.2.4 Where additional funding is proposed for an existing scheme this has been added to the project rather than creating a new scheme.

8.2.5 About a third of the capital programme is composed of schemes that are wholly funded by Council borrowing and that arenot self-financing. These schemes largely reflect the statutory duties of the council. In large part these schemes are not able to garner external resources to either supplement or supplant Council borrowing.

8.2.6 The Children's Services capital programme is largely reliant on Council borrowing. For the period 2021/22-2025/26 the Council is planning to spend £105m on schools, of which approximately £27m is funded through government grant leaving a borrowing requirement of £78m. The majority of the cost of the increased investment in schools falls on the Council through increased borrowing costs.

8.2.7 Within the Place priority the proposed capital programme for the period 2021/22-2025/26 is broadly estimated at £74.8m of which approximately £14.6m is externally funded, leaving a borrowing requirement of £60.2m.

8.2.8 The Economy capital programme has an estimated value of £433m. The majority of the programme is either funded through contributions from developers or are self-financing. The level of Council borrowing in this part of the capital programme is proportionately lower than in others at £55m. The majority of this borrowing is to match fund to the Tottenham Hale Regeneration project, the Tottenham High Road Strategy and the Wood Green Regeneration Strategy.

8.2.9 The basic premise for the economy programme is to provide a funding envelope within the budget and policy framework which enables the council to respond to opportunities in a timely way. This means that this capital programme is both front loaded and prone to reporting slippage.

8.2.10 The General Fund housing programme has no schemes that rely on borrowing as they are all self-financing.

8.2.11 The Your Council capital programme is estimated at £83.6m with the majority, £53.8m funded through borrowing. £40m of this borrowing relates to the asset management function of the Council and to the Civic Centre refurbishment. The balance of the investment relates to the Responsiveness Fund, £2m and the approved capital programme contingency, £6m.

8.2.12 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of an approved business case that validates the high-level cost and time estimates contained within the programme. An integral part of the business case will be an assessment of the risks that a project faces and once a project is agreed, the review of the risk register is a standing item on the agenda for the project's governance arrangements.

8.2.13 There are a range of schemes within the General Fund capital programme that will only proceed, if they are estimated to result in a net reduction in expenditure. That reduction will include the cost of financing the capital expenditure and contribute to the MTFS through making savings or increasing income. These schemes are known as self-financing schemes. The decision to proceed with these schemes will follow the production of a detailed business that supports the investment and identifies reductions in expenditure.

8.2.14 Service managers bid annually as part of the Council's budget setting process. The bids are assessed against their "fit" in relation to the Borough Plan, the asset management plan and meeting the objectives of the medium-term financial strategy (MTFS). In addition, schemes have been considered for their contribution to economic recovery, to growth, to jobs, and to creating a Covid-19 safe public realm.

8.2.15 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that the Council's housing activities are not subsidised by the Council's non-housing activities. It also ensures that the Council's non-housing activities are not subsidised by its HRA. HRA capital expenditure is recorded separately.

The table below details the proposed capital expenditure plans by priority.

Table 8.2: Capital expenditure plans by priority

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	Total (£'000)
People - Children's	26,471	23,909	24,006	20,101	10,731	**105,218**
People - Adults	26,220	26,970	12,400	4,470	2,377	**72,437**
Place	25,809	13,382	13,360	11,495	10,795	**74,841**
Economy	177,498	105,171	84,316	66,971	32,316	**466,271**
Housing (GF)	6,000	1,000	1,000	0	0	**8,000**
Your Council	25,506	18,281	15,531	17,650	6,650	**83,618**
Total General Fund (GF)	**287,504**	**188,713**	**150,613**	**120,687**	**62,869**	**810,385**
Housing (HRA)	**246,071**	**307,941**	**303,515**	**198,722**	**159,846**	**1,216,095**
Overall Total	**533,575**	**496,654**	**454,128**	**319,409**	**222,715**	**2,026,480**

8.2.16 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the December 2020 Cabinet), plus the new schemes proposed. Additionally, Appendix 5 provides details of the new schemes. The following paragraphs provide a high-level description of each priority's new capital proposals.

8.2.17 Children's Services

Extensive work has been undertaken during 2019/20 and 2020/21 to understand the extent of the investment required in the Children's Services estate. This work has provided comprehensive information on the condition of the estate and has provided the foundation of the Children's Services asset management plan. The asset management plan provides a framework for the decisions on where and when the investment in the estate best serves the needs of our young people so that they are educated in facilities that are fit for today and the future.

The proposed capital programme has further, significant investment in the school estate. An additional £33m is proposed over the next five years. This additional funding will bring the Council's investment in the condition of the Children's Services to £105.5m over the period 2021/22-2025/26.

In addition, the proposed capital programme has provision for the delivery of a new Youth Hub in Wood Green as well as investment in the Alternative Provision Strategy and Pendarren.

8.2.18 Adult Services

The continued focus of the Adults Services capital programme is to enhance the lives of disabled and older adults. The 2020/21 capital programme delivery has been severely affected by Covid-19 and is therefore delayed. Accordingly, the aim for the coming period is to deliver those schemes that are delayed There is one new proposal for capital expenditure, the renewal of the Mosaic ICT system, which is the Adult social care case work system. Currently a procurement exercise is underway which could result in the upgrading of the current system or its total replacement. The proposed bid is based on the complete replacement of the current system. Should the procurement exercise result in an upgrade to the existing system then there will be an overall cost which will result in a lower level of capital spend.

8.2.19 Place

The existing Place priority capital programme is designed to make the borough a cleaner and safer place where residents can lead active and healthy lives. The proposed new capital schemes build on these priorities with additional investment.

A previously significant source of funding for the borough's infrastructure were grants received from Transport for London (TfL). Due to the financial situation of TfL these grants have largely ceased. Even though these grants have ceased the works still need to be undertaken.

Part of the new investment is to offset the TfL reductions but there is additional investment in the borough's pavements, and additional funding for the Parkland Walk Bridges programme as well as investment in our depots to provide greener and more comfortable spaces. The programme also allows for the continuation of investment in street lighting and borough roads.

8.2.20 Economy

The existing Economy capital programme directly supports wealth creation, regeneration and community aspirations in the borough. The considerable investment in the Council's own commercial property, along with the potential acquisition of other properties, will allow for the expansion of industrial, commercial and office space. Once invested in or acquired, these can be used to expand existing businesses or to attract new businesses.

The new proposals build on this existing programme through the funding of the Good Economy Recovery Plan, further investment in creating workspaces and investment in HALS.

8.2.21 Your Council

The Communities First initiative will help transform the way in which the Council engages with its residents. The investment in the library stock sits beside the Connected Communities initiative and will improve the accessibility of libraries and the range of services that they offer.

There are three new capital proposals. The first relates to the approved capital programme contingency that is being replenished with £4m. The second is the responsiveness fund which is being topped up with £2m and the third is for additional funding for the Civic Centre works.

8.2.22 Financing

All capital expenditure must be financed from either external sources (government grant and other contributions), the Council's own resources (revenue, reserves or capital receipts) of debt (borrowing, leasing, Private Finance Initiative). The Council's capital programme has moved to a financing strategy that seeks to ensure that investment via the capital programme is self-financing or funded from external resources. The new schemes proposed to be added to the programme for 2020/21-2024/25 are analysed in the table below and show that the majority of schemes being proposed (77%) are either self-financing or funded via external resources:

Table 8.3: Financing Strategy

	General Fund Borrowing		External	Total
	Met from General Fund (£'000)	Self Financing met from Savings (£'000)	(£'000)	(£'000)
People - Children's	77,259	0	27,959	**105,218**
People - Adults	3,785	54,170	14,482	**72,437**
Place	55,863	4,400	14,578	**74,841**
Economy	73,225	143,916	249,131	**466,272**
Housing - GF	0	8,000	0	**8,000**
Your Council	52,863	30,755	0	**83,618**
Total	**262,994**	**241,241**	**306,150**	**810,385**

8.2.23 The self-financing schemes will normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. This is necessary to ensure that the investment contributes to meeting the financial challenges that the Council faces. It is noted however, that in some limited circumstances, that schemes may proceed even if they do not produce a reduction in expenditure enough to cover the cost of financing the investment.

8.2.24 As debt needs to be repaid the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay borrowings. This is known as the minimum revenue provision (MRP). The MRP for the period is set out below:

Table 8.4: Estimated MRP

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
MRP	5,533	8,734	16,438	22,455	25,807	29,043

8.3.16 The Council's cumulative outstanding amount of debt is measured by the capital financing requirement (CFR). This increases when new debt financed expenditure is incurred and reduces when MRP is made. The increase in MRP in 2022/23 is due to the end of the MRP holiday and will be addressed in detail in the Treasury Management Strategy to be considered by Council in February 2021.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
CFR	1,073,041	1,300,885	1,590,485	1,836,902	1,999,393	2,016,930

Asset Management

8.3.17 The Asset Management Plan is the subject of a separate report due to be considered by Cabinet in February 2021.

Asset Disposals

8.3.18 When a capital asset is no longer needed, it may be sold and the proceeds (known as capital receipts) can be spent on new assets or can be used to repay debt. Repayments of grants, loans and non-treasury investments also generate capital receipts. The Council is currently permitted by legislation to spend capital receipts to deliver cost reductions and/or transformation until 2021/22. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2022.

8.3.19 As stated above, capital receipts can be used to fund capital expenditure or repay debt. The budget assumption is that capital receipts will not fund capital expenditure or debt repayment. It is anticipated that the capital receipts received in the MTFS period covered by the flexibility (up to 31st March 2022) will be used to deliver cost reductions and/or transformation. There is a separate policy statement and schedule of proposed initiatives to utilise capital receipts flexibly.

Treasury Management

8.3.20 The Council has a separate Treasury Management Strategy Statement (TMSS) that deals in detail with treasury management matters. The Capital Strategy document repeats some of the information contained within the TMSS but places the information in the context of the capital programme and Borough Plan.

8.3.21 Treasury management is concerned with keeping enough but not excessive cash balances available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. This is to avoid excess credit balances or overdrafts at the bank. The Council is typically cash rich in the short term as cash revenue income is received before it is spent but cash poor in the long-term as capital expenditure is incurred before it is financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce borrowing.

Borrowing Strategy

8.3.22 The council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should its plans change in the future. These objectives are often in conflict as the Council seeks to strike a balance between cheap short-term loans and long-term fixed loans where the future cost is known, but higher.

8.3.23 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leasing) are shown below and compared to the capital financing requirement.

Table 8.6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31/3/20 Actual (£'000)	**31/3/21 Budget (£'000)**	**31/3/22 Budget (£'000)**	**31/3/23 Budget (£'000)**	**31/3/24 Budget (£'000)**	**31/3/25 Budget (£'000)**	**31/3/26 Budget (£'000)**
Borrowing Debt	531,693	811,902	1,076,962	1,370,737	1,621,512	1,786,520	1,804,057
PFI & Lease Debt	31,800	27,932	24,099	20,100	15,926	11,567	9,050
Total Debt	**563,493**	**839,834**	**1,101,061**	**1,390,837**	**1,637,438**	**1,798,088**	**1,813,108**
Capital Financing Requirement	**723,447**	**1,073,041**	**1,300,885**	**1,590,485**	**1,836,902**	**1,999,393**	**2,016,930**

8.3.24 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the above, the Council expects to comply with this requirement.

Affordable Borrowing Limit

8.3.25 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach the limit.

Table 8.7: Prudential Indicator: Authorised limit and operational boundary for external debt

	2020/21 limit (£'000)	2021/22 limit (£'000)	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)	2025/26 limit (£'000)
Authorised limit – borrowing	979,646	1,206,785	1,500,385	1,750,976	1,917,826	1,937,880
Authorised limit – PFI & leases	30,882	31,811	26,532	21,022	15,269	11,946
Authorised limit – total external debt	1,010,528	1,238,596	1,526,917	1,771,998	1,933,095	1,949,826
Operational boundary - borrowing	929,646	1,156,785	1,450,385	1,700,976	1,867,826	1,887,880
Operational boundary – PFI & leases	28,075	28,919	24,120	19,111	13,881	10,860
Operational boundary – total external debt	957,720	1,185,704	1,474,505	1,720,087	1,881,707	1,898,740

8.3.26 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs. This is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8.8: Proportion of financing costs to net revenue stream

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
Financing Costs General Fund	9,343	12,653	16,677	20,076	22,343	27,299
Proportion of net revenue stream	3.87%	5.16%	6.65%	7.82%	8.51%	10.40%
Financing Costs HRA	16,426	18,591	23,287	28,823	33,001	35,825
Proportion of net revenue stream	15.44%	17.08%	20.60%	24.37%	26.39%	27.44%

8.3.27 It can be seen that over the MTFS period that the General Fund ratio increases. However, whilst costs of financing investment increases there will be offsetting revenue savings from those schemes which are self-financing, and these savings will be reflected in reduced service area budgets. It is also possible that once business cases are prepared that some of the schemes within the capital programme may well not proceed. The ratio also increases for the HRA. This level of ratio has been modelled into the current version of the evolving HRA business plan and capital programme and is affordable.

Governance

8.3.28 Decisions on treasury management investment and borrowing are made on a daily basis and are delegated to the Director of Finance. There is a further sub-delegation to members of the Director of Finance's staff to facilitate day-to-day operations. Whoever is making the decision(s) will need to act in line with the treasury management strategy as approved by full Council.

Flexible use of capital receipts

8.3.29 This strategy sets out the Council's approach to the flexibility afforded by the government's change to the rules surrounding the use of capital receipts. Capital receipts can only be used for specified purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which is made under Section 11 of the Local Government Act 2003. The main permitted use of capital receipts is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

8.3.30 The Secretary of State is empowered to issue directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Were such a direction is made, the specified expenditure can be then be funded by utilising capital receipts.

8.3.31 The then Secretary of State for the Department for Communities and Local Government issued guidance in March 2016, giving local authorities greater freedoms over how capital receipts can be used to finance expenditure. The direction allows for the following expenditure to be financed by utilising capital receipts:

"Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."

8.3.32 In order to comply with this direction, the Council must consider the Statutory Guidance issued by the Secretary of State. The guidance requires authorities to prepare, publish and maintain a flexible use of capital receipts strategy with the initial strategy being effective from the 1st April 2016 with future strategies being included within future annual budget document.

8.3.33 The Statutory Guidance for the flexible use of capital receipts strategy states that the strategy should include a list of each project that is intended to be funded via this flexibility, together with the expected savings that the projects will realise. The strategy should also include the impact that the flexibility has on the affordability of borrowing by including updated prudential indicators.

8.3.34 The Secretary of State for Ministry of Housing, Communities and Local Government issued revised directions for the flexible use of capital receipts which extended the period of the flexibility to the financial year 2021/22.

8.3.35 The Council's strategy for capital receipts will be focused on transformation of services and will be presented to Cabinet in early February 2021 and for decision by Council later that month.

9. Housing Revenue Account (HRA)

9.1 The HRA is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing Councils retain all the money they receive from rent and use it to manage and maintain their homes.

HRA 10 Year Financial Plan Overview

9.1.1. The HRA is made up of the Revenue account (Income and Expenditure) and Capital account (Investments and Financing). Following the abolition of HRA borrowing cap in October 2018, the Council embarked on expansion of its investment in its existing and new housing stock. This is laid out in its HRA Business Plan and HRA 10 Year Financial Plan, which is now in its third year.

9.1.2. In this revised plan, a more granular approach was taken in the costing of our new homes and acquisition programmes, drawing upon our increased knowledge from the first two years. The change in the PWLB borrowing rate and updated inflation (CPI) which informs the rent charges and affects cost have been incorporated.

9.1.3. This revised 10 Year Financial Plan, compared to the current one, supports the delivery of increased number of new homes in the borough, with greater proportion of these new homes being developed for social rents.

9.1.4. The proposed increase in spends on Major works (existing homes), Temporary accommodation and Fire Safety further highlights the Councils commitment to improving the quality of life of residents, ensuring homeless households are provided a safe place to live, and maintaining the overall safety of our dwellings.

9.1.5. These all-encompassing delivery and financial plans address the affordability of the entire HRA capital programmes, which includes the new homes build and homes acquisition programmes, and existing stock maintenance, carbon reduction programmes for both existing stocks and new stocks, fire safety programmes and the BWF estate renewal programme.

9.1.6. It includes a long-term assessment of maintenance, improvement, and management requirements, as well as forecasts on income streams such as rents, in line with rent standards, and other future developments. The impact of the current pandemic on rent collection and delay in capital programmes informed the update of the HRA financial plan.

9.1.7. The Revised Financial plan has highlighted a weakened revenue position in the early years of the plan because of the reduction in CPI from 1.7% to 0.5% and the impact of COVID 19 on rent collection. Alongside these, some heavy capital investment in the early years of the plan added to the pressures. It is expected that these pressures can be dealt with through better than expected rent collection and further Efficiencies through HfH Transformation programme, as built into the plan.

The main sources of income to the HRA: Rents and Service Charges.

9.2 Housing rents

9.2.1. Rent limits for council-owned housing are set by the government through the Rent Standard which prescribes the formula for calculating social housing rents. These rents are also called formula rents and excludes service charges.

9.2.2. The formula for setting social housing rents is complex but involves the value of the property and average regional earnings compared to the national averages for these and is increased/decreased according to the number of bedrooms.

9.2.3. From 2020/21, at least until 2024/25, the government has permitted Local Authorities in England to increase rents every year by no more than the Consumer Price Index (CPI) at September of the previous year plus 1%.

9.2.4. The current rent for 2020/21, approved by Cabinet on 11 February 2020, was set at the 2019/20 rent uplifted by 2.7%. The rent increase is due to the CPI inflation rate in September 2019 of 1.7% plus 1% allowed by the government.

9.2.5. Haringey Council must set the rents for 2021/22 using the formula set out in the Rent Standard. Given that the CPI at September 2020 was 0.5%, rents in council-owned housing will increase by no more than 1.5% (CPI plus 1%) from 5 April 2021 (the first Monday in April).

9.2.6. Applying the maximum rent increase of 1.5% will give £1.08m of additional rental income to the Housing Revenue Account (HRA) from tenants. However, the HRA business plan had assumed annual rent increases of 3% (CPI of 2% plus 1%) which was expected to produce additional rental income of £3.78m in 2021/22 (a reduction of £2.7m).

9.2.7. The 10-year HRA financial plan has been revised to reflect the lower rent increase in 2021/22. An assumed annual rent increases of current CPI plus 1% in 2022/23 and reversion to CPI of 2% plus 1% for the remaining 2 years of this current rent regime (2024/25) has been built in. It also assumed annual rent increases of CPI only, for the remaining five years of the HRA financial plan.

General needs and sheltered / supported housing

9.2.8. Provisional rents for general needs and sheltered / supported housing for 2021/22 have been calculated so that the weekly rents paid by tenants increase by no more than 1.5% from 5 April 2021. On this basis, the average weekly rent will increase by £1.57 from £104.57 to £106.14.

9.2.9. There is a range of rents across different sizes of properties. Table 1 sets out the provisional average weekly rents for 2021/22 and the proposed rent increase by property size.

Table 9.1 - Average General needs and sheltered / supported housing rent

Number of Bedrooms	Number of Properties	Current average weekly rent 2020/21	New average weekly rent 2021/22	Proposed average rent increase	Percentage increase
Bedsit	130	£84.84	£86.11	£1.27	1.5%
1	5,236	£89.85	£91.20	£1.35	1.5%
2	5,129	£104.72	£106.29	£1.57	1.5%
3	3,663	£119.91	£121.71	£1.80	1.5%
4	597	£136.52	£138.57	£2.05	1.5%
5	105	£159.71	£162.10	£2.40	1.5%
6	15	£165.96	£168.45	£2.49	1.5%
7	2	£157.04	£159.39	£2.36	1.5%
8	1	£177.77	£180.44	£2.67	1.5%
All dwellings	14,878	£104.57	£106.14	£1.57	1.5%

9.2.10. As some properties have not reached the formula rent, the current policy of increasing rents to the formula rents on re-let to new secure tenants will continue.

Affordable rent housing

9.2.11. There are eighteen properties, built under the New Homes Infill Programme, currently let at affordable rents.

9.2.12. It is proposed that the rent on these properties will be changed tosocial rents from 5 April 2021. This is to bring these rents in line with the Council's new homes rent. On this basis, the current average weekly affordable rent of £253.31 will decrease by 34.3% to social rent levels at an average of £166.38 per week. There is a range of rents across different sizes of properties. Table 2 sets out the proposed average weekly social rents for 2021/22 by property size.

Table 9.2
Conversion of affordable rents to social rents

Number of Bedrooms	Number of Properties	Current average weekly affordable rent 2020/21	Proposed average weekly social rent 2021/22	Proposed average rent increase	Percentage increase
1	1	£210.79	£148.88	-£61.91	-29.4%
2	5	£234.29	£157.62	-£76.67	-32.7%
3	7	£235.00	£166.38	-£68.62	-29.2%
4	3	£294.78	£175.12	-£119.66	-40.6%
5	2	£324.03	£183.89	-£140.14	-43.2%
All dwellings	18	£253.31	£166.38	-£86.94	-34.3%

Temporary accommodation

9.2.13. All properties acquired since 1 April 2020 for housing homeless households held in the HRA are leased to Haringey Community Benefit Society (HCBS) and let by HCBS at Local Housing Allowance (LHA) rent levels.

9.2.14. The HRA financial plan includes these rental incomes from 2021/22 to 2027/28. From year eight, it recognises incomes from these properties at formula rent plus CPI as these properties will revert to the HRA.

9.2.15. From 5 April 2021, all other council-owned properties used as temporary accommodation but not leased to HCBS will have their rents increased by 1.5% from their current levels.

9.3 Tenants' service charges

9.3.1. In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council's policy has been to set tenants' service charges at the start of each financial year to match budgeted expenditure.

9.3.2. Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service.

9.3.3. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

9.3.4. Tenants currently pay for the following services:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Light and power (Communal lighting)
- Heating
- Integrated reception service (Digital TV)
- Estates road maintenance
- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Converted properties cleaning
- Window cleaning service.
- TV aerial maintenance

Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

The applicable charges for 2021/22 will be calculated and presented to Cabinet and Full Council for approval in February 2021.

Rent and Service charge consultation

9.3.5. There is no requirement for tenant consultation as Haringey council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges.

9.3.6. However, a four weeks' written notice will be served on all tenants prior to April 5, 2021. The Council must give written notice to tenants at least four weeks before the new rents for 2021/22 start on 5 April 2021. This will follow the consideration by Cabinet in February 2021 and will include:

- Council housing rent charges for 2021/22
- Proposed weekly tenants service charges for 2021/22
- HRA hostel rent charges for 2021/22

9.4 HRA Expenditure

9.4.1. The Council's Arms' Length Management Company (ALMO), Homes for Haringey (HfH) manages the dwellings stock and garages on behalf of the Council. The management fee the council pays for these services is budgeted at £41.2m for 2021/22. This includes £19.4m for repairs and about £1.9m for housing demand.

9.4.2. Other significant items of expenditure include the capital financing charge and depreciation. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at a higher level than 2020/21 due to increase in the level of capital works programme and New build programme.

Draft Update of HRA 10 Year Financial Plan – Capital Programmes

9.4.3. The HRA long term financial plan has been updated in order to determine how the council might best use the new HRA borrowing capability (still of course constrained by the prudential borrowing code) to both fulfil its responsibilities in respect of its existing stock and deliver the council's objectives for its provision of additional housing.

9.4.4. The HRA financial plan recognises certain risks such as the impact of the current pandemic, COVID-19 on collection of rent, the impact of government policy changes in respect of types of tenancy, rent levels, right to buy, and treatment of voids.

9.4.5. The plan assumes a revenue contribution to capital outlay (RCCO) minimum of £8m. This means that the surplus after expenditure should not be below £8m. It also assumes a working balance of £14.2m.

9.4.6. The draft Housing Revenue Account (HRA) revenue budget and HRA Capital programme incorporates the work to date on updating the HRA Business Plan. This is a complex plan and Members should be aware that further changes are anticipated before the final budget package is presented in February, though this will not affect the rent proposals for 2021/22 included here.

9.4.7. A finalised version will be presented to Cabinet and Full Council for approval in February 2021. It should be noted that any changes in the final version will not affect the rent proposal contained in this draft report.

Draft HRA 5 Years MTFS (2021/22-2025/26)

9.4.8. The HRA budget for 2021/22 is a balanced budget maintaining a reasonable revenue contribution to capital of £8.1m. This report sets out the proposed HRA 5 years Budget/MTFS in the Table below. It accommodates the scale of development presently assumed within the business and financial planning in terms of its impact of the future years HRA revenue position. It also takes into consideration further cost savings measures in years 2 & 3, to ensure that the RCCO is kept at above £8m year on year.

Table 9.3 - Draft HRA 5-Year Revenue Budget (2021/22 – 2025/26)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Income & Expenditure	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Income						
Dwellings Rent Income	(85,647)	(89,630)	(95,213)	(102,374)	(108,166)	**(481,030)**
Void Loss	856	896	952	1,024	1,082	**4,810**
Hostel Rent Income	(2,263)	(2,292)	(2,331)	(2,371)	(2,412)	**(11,669)**
Service Charge Income	(11,539)	(11,808)	(12,237)	(12,801)	(13,363)	**(61,748)**
Leaseholder Income	(7,374)	(7,475)	(7,614)	(7,756)	(7,978)	**(38,197)**
Other Income (Garages /Aerials/Interest)	(2,255)	(2,266)	(2,289)	(2,312)	(2,358)	**(11,480)**
Total Income	**(108,222)**	**(112,575)**	**(118,732)**	**(126,590)**	**(133,195)**	**(599,314)**
Expenditure						
Repairs	19,410	19,507	19,702	20,610	21,515	**100,744**
Housing Management	19,861	19,960	20,160	20,362	21,256	**101,599**
Housing Demand	1,879	1,888	1,907	1,926	1,965	**9,565**
Management Fee (HfH)	**41,150**	**41,355**	**41,769**	**42,898**	**44,736**	**211,908**
Further Cost Reduction Measures in year 2 & 3	0	(1,150)	(1,450)	0	0	**(2,600)**
Estates Costs (Managed)	10,219	10,270	10,373	10,851	11,328	**53,041**
Provision for Bad Debts (Tenants)	2,625	1,948	1,220	927	956	**7,676**
Provision for Bad Debts (Leaseholders)	88	90	91	93	96	**458**
Total Managed Expenditure	**12,932**	**12,308**	**11,684**	**11,871**	**12,380**	**61,175**
Other Costs (GF Services)	4,357	4,379	4,423	4,467	4,556	**22,182**
Other Costs (Property/Insurance)	2,224	2,235	2,257	2,280	2,326	**11,322**
Capital Financing Costs	19,285	25,096	31,463	35,884	37,875	**149,603**
Contribution to Major Repairs (Depreciation)	20,197	20,298	20,501	20,706	21,120	**102,822**
Revenue Contributions to Capital	**8,077**	**8,054**	**8,085**	**8,484**	**10,202**	**42,902**
Total Expenditure	**108,222**	**112,575**	**118,732**	**126,590**	**133,195**	**599,314**
HRA (Surplus) / Deficit	0	0	0	0	0	0

Draft HRA 5 Years Capital Programme (2021/22 – 2025/26)

9.4.9. This represents the capital implications of the new HRA financial plan where the current pandemic has placed a strong emphasis on meeting the needs of homeless households while ensuring that the needs of the existing stock are met. It also focuses on the delivery of new homes, renewal of BWF estate, carbon reduction in existing stock, and fire safety of the entire stock.

9.4.10. The HRA MTFS is geared towards maximising the use of other available resources and use borrowing as last resort. The MTFS capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2021/22 is £246.1m fully funded from revenue contribution, grants, RTB retained receipt, Major Repairs Reserve and borrowing.

Table 9.4 - Draft HRA 5 Year Capital Programme (2021/22 – 2025/26)

Housing Revenue Account (HRA) Investment & Financing	Year 1 2021-22 £'000	Year 2 2022-23 £'000	Year 3 2023-24 £'000	Year 4 2024-25 £'000	Year 5 2025-26 £'000	Total 5 Years £'000
Capital Investment						
Existing Stock Investment (Haringey Standard)	65,278	56,835	69,868	53,412	25,348	**270,741**
New Homes Build Programme	70,080	174,669	154,594	48,319	23,156	**470,818**
New Homes Acquisitions	41,760	6,337	15,405	27,705	44,202	**135,409**
TA Acquisitions	33,877	34,216	34,558	34,904	35,951	**173,506**
New Homes Zero Carbon	76	151	605	1,183	140	**2,155**
Existing Stock Carbon Reduction (Affordable Energy)	5,142	5,142	6,285	17,597	17,597	**51,763**
Fire Safety	15,329	13,771	11,000	4,400	4,500	**49,000**
Broadwater Farm	14,529	16,820	11,200	11,202	8,952	**62,703**
Total Capital Investment	**246,071**	**307,941**	**303,515**	**198,722**	**159,846**	**1,216,095**
Capital Investment Financing						
Grants (GLA Allocation)	35,124	1,204	0	0	0	**36,328**
Grants (Additional Bid)	0	26,896	55,524	22,510	7,600	**112,530**
Major Repairs Reserves	20,197	20,298	20,501	20,706	21,120	**102,822**
Revenue Contributions	8,077	8,054	8,085	8,484	10,202	**42,902**
RTB Capital Receipts	10,163	10,265	10,367	10,088	10,655	**51,538**
Leaseholder Contributions to Major Works	10,134	9,883	9,746	8,139	7,256	**45,158**
S.106 Contributions	1,000	1,000	1,000	0	0	**3,000**
Market Sales Receipts (at cost)	1,898	0	1,661	23,362	57,104	**84,025**
Market Sales Contributions	360	0	332	4,672	11,421	**16,785**
Borrowing	159,118	230,341	196,299	100,761	34,488	**721,007**
Total Capital Financing	**246,071**	**307,941**	**303,515**	**198,722**	**159,846**	**1,216,095**

The current business and financial plan highlight an improvement, over a 10-year period, in the number of new homes planned to be delivered and the ratio of social rent homes to market sales homes.

10 Dedicated Schools Budget (DSB)

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

10.2 The financial position reported at Quarter 2 2020-21 set out the forecast year end position. This highlighted the budget pressures in the High Needs Block which is estimated to add an additional £5.3m to the existing deficit of £10.2m.

10.3 Table 10.1 below sets out Haringey's Dedicated Schools Grant allocations for 2019-20, the minimum rebased DSG baseline allocation for 2020-21 and Provisional National Funding Formula (NFF) allocation for 2021-22.

Table 10.1 Haringey's Dedicated Schools Grant Allocation Dedicated Schools Grant

Dedicated Schools Grant	2019-20 NFF £m	2020-21 NFF £m	2021-22 Provisional NFF £m
Schools Block	196.97	200.15	211.98**
Central School Services Block	3.02	2.95	2.87
Early Years Block	20.09	20.83	20.36
High Needs Block	36.14	40.99	44.46
Total DSG	256.22	264.91	279.67

** Includes £6.193m Teachers Pay Grant and Teachers Pension and Employer Contribution Grant, both previously paid separately.

10.4 Overall, Haringey's provisional NFF allocation for 2021/22 is an increase of 3.23% equivalent to £8.57m and a further £6.19m teacher's pay and pension grants. This is based on 2019 October pupil census numbers and the final allocation will be based on the October 2020 pupil census numbers. Bearing in mind the pupil numbers will change from year to year, the cash impact of this provisional funding by block is:

- Schools Block - uplift of 2.82% equivalent to £5.64m.
- Central School Services Block - has lost 2.7% equivalent to £0.08m.
- Early Years Block – has lost 1.34% equivalent to £0.47m
- High Needs Block – uplift of 8.47% equivalent to £3.47m.

10.4 The actual financial position for the Dedicated Schools Grant is dependent on the final school's finance settlement for 2021-22, which is due in December 2020.

10.5 The Schools Forum will consider these figures at their December 2020 and January 2021 meetings.

DSG Reserves

10.6 As at Quarter 2, the DSG Reserves is expected to close with a cumulative deficit of £15.49m at the end of 2020-21. The pressure is mainly in the High Needs Block and is mainly due to the general increase in pupil numbers with special educational needs within the borough.

Table 10.2 2020/21 Year End DSG reserves forecast

Blocks	**Opening DSG at 01/04/2020**	**P06 Forecast Outturn Variance**	**Forecast Closing DSG Reserves Quarter 2 2020-21**
Schools Block	0	0	0
Central Block	10,260	34	10,294
Early Years Block	107,530	48,857	156,387
High Needs Block	10,066,960	5,255,940	15,322,900
Total	£ 10,184,750	£ 5,304,830	£ 15,489,580

10.7 The pressure on the DSG budget is acknowledged by government as a national issue. The outcome of the Government's SEND Review will influence policy (and budgets) and will factor into any future deficit recovery plans. This still is awaiting publication. The School's Forum is aware of the need to produce a Deficit Recovery Plan as a matter of good financial practice and in preparation for the expected contact from the DfE.

11 Consultation & Scrutiny

11.1 The Council, as part of the process by which it sets its budget, seeks the views and opinions of residents and service users which is used to inform the final decision of the Council when setting the budget.

11.2 As such a formal consultation is being planned, the result of which is expected in January, and will be shared with Cabinet to enable them to consider and reflect any amendments in the final February report.

11.3 Statutory consultation with businesses will also take place during this period and any feedback will be considered and, where agreed, incorporated into the final February report. A detailed consultation plan is attached at Appendix 6.

11.4 Additionally, the Council's budget proposals will be subject to a rigorous scrutiny review process which will be undertaken by the Overview and Scrutiny Panels and Committee during December/January on a priority themed basis. The Overview and Scrutiny Committee will then meet in January 2021 to finalise its recommendations on the budget package. These will be reported to Cabinet for their consideration. Both the recommendations and Cabinet's response will be included in the final Budget report recommended to Full Council in February.

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

Finance

12.1 As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.

12.2 Ensuring the robustness of the Council's 2021/22 budget and its MTFS 2021/22 – 2025/26 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable and that they will be achieved in a number of ways including consideration of the budget setting process itself, the quality and extent of both statutory and non-statutory consultation, the assessment and management of risks, feedback and challenge via scrutiny processes, and the coherence of the working papers supporting budget proposals. The process this year has been made more challenging and complex due to the impact of the coronavirus pandemic.

12.3 The draft General Fund Budget 2021/22 requires the one-off draw down from reserves and this position will be reviewed and addressed in the February report.

12.4 The formal Section 151 Officer assessment of the robustness of the council's budget, including sufficiency of contingency and reserves to provide against future risks will be made as part of the final budget report to Council in February and will draw on independent assessments of the Council's financial resilience if available. This statutory role is acquiring more and more significance given the increased pressure falling upon this council's budget as a result of the C19 pandemic following years of austerity and the uncertainty surrounding the implications of Brexit.

Procurement

12.5 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

Assistant Director of Corporate Governance

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

12.7 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.

12.8 The Council must ensure that it has due regard to its public Sector Equalities Duty under the Equalities Act 2010 in considering whether to adopt the recommendations set out in this report.

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

12.10 In view of the conclusion reached by the Director of Finance at paragraph 1.12 above on the ability to set a balanced budget for 2021/22, coupled with the assurance provided at paragraph 7.12.1 above, and the Equalities comments below in relation to the proposed use of EqIAs as appropriate, there is no reason why Cabinet cannot adopt the Recommendations in this report.

Equality

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

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

12.3 This report sets out details of the draft Budget for 2021/22 and MTFS to 2025/26, including budget reductions, growth and capital proposals. The details the impact of COVID-19 on the financial planning process and the Council's response. COVID-19 affects everything local authorities do. The Council is continuing to focus on responding to the pandemic and its concomitant impacts while ensuring normal critical services are resumed. As the virus remains prevalent in the community and public health restrictions remain in place, the future financial impacts of the virus in the short, medium and long-term remain uncertain. Further risks include the end of the transition period as the UK exits the European Union.

12.4 The proposed decision is for Cabinet note the budget proposals detailed and agree to commence consultation with residents, businesses, partners, staff and other groups on the 2021/22 Budget and MTFS. The decision is recommended in order to comply with the statutory requirement to set a balanced budget for 2021/22 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.

12.5 The impact of COVID-19, along with budget pressures, has led the Council to reconsider its corporate planning through a 'Recovery and Renewal' process. Undertaken alongside key partners, this process surfaced renewed priorities, with impacts across the Council's functions. Three key themes emerged from the work: economic recovery; health and wellbeing; strengthening communities.

12.6 The Council's priorities are underpinned by a focus on tackling inequality. This was key principle emerging from the Recovery and Renewal work and aligns with the principles embedded within the Borough Plan equalities objectives. COVID-19 has served to widen existing inequalities with adverse impacts experienced by protected groups across a number of health and socioeconomic outcomes. The Council is committed to targeting its interventions to reduce inequality despite the financial constraints detailed in this report. This is evident through ongoing investment in policies that seek to improve outcomes for individuals with protected characteristics, such as Free School Meals, Local Welfare Assistance, Youth Services, and the Haringey University Bursary Scheme, despite financial constraints.

12.7 During the proposed consultation on Budget and MTFS proposals, there will be a specific focus on considering the implications of the proposals on individuals with protected characteristics, including any potential cumulative impact of these decisions. Responses to the consultation will inform the final package of savings proposals presented in February 2021.

12.8 Additionally, budget savings proposals are undergoing an equalities screening process to identify where negative impacts to protected groups may arise. Where such impacts are identified, a full Equalities Impact Assessment will take place to understand the impacts in full and describe action to mitigate those impacts. Haringey Council believes the Equality Impact Assessment process is an important way of informing our decision-making process. At this stage, the assessment of potential impact of decisions is high level and, in the case of many individual proposals, has not been subjected to detailed analysis. This is a live process and, as plans are developed further, each service area will assess the equality impacts and potential mitigating actions of their proposals in more details. Final EQIAs will be published alongside decisions on specific proposals.

12.9 Initial Equality Impact Assessments for relevant savings proposals will be published in February 2021 and will reflect feedback regarding potential equality impacts gathered during the consultation period. If a risk of disproportionate adverse impact for any protected group is identified, consideration will be given to measures that would prevent or mitigate that impact. Where there are existing proposals on which decisions have been taken, existing Equalities Impacts Assessments will be signposted.

13. Use of Appendices

Appendix 1 – Summary of Draft Revenue 2021/22 Budget and Medium Term Financial Plan 2020-2025
Appendix 2 – Summary of new budget reduction proposals
Appendix 3 – Summary of total budget reduction proposals by year
Appendix 4 – Draft General Fund Capital Programme 2021/22 – 2025/26
Appendix 5 – Summary of new proposed capital investment
Appendix 6 – Budget Consultation Plan

14. Local Government (Access to Information) Act 1985
2020/21 Qtr 1 and Qtr 2 Budget Reports
2020/21 Budget & MTFS 2020-2025

Detailed pro-formas for individual budget reduction proposals are available online at the following location:

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15 December 2020 - Housing and Regeneration Overview and Scrutiny Panel
New Savings Proposals 2021/22 - 2025/26

REF	Priority	Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Savings Total - (£'000)	Capital Investment - (£'000)
HO101	Housing	Housing Team Salaries - increase HRA contribution	274	-	-	-	-	**274**	-
HO102	Housing	HfH taking over the lease of PSL properties on their expiry	209	68	51	12	1	**341**	-
		TOTAL - Housing	**483**	**68**	**51**	**12**	**1**	**615**	**-**
EC101	Economy	Additional Recharge to Housing Services	300	-	-	-	-	**300**	-
EC102	Economy	Additional Planning income from introducing new charges	200	-	-	-	-	**200**	-
EC103	Economy	Reduction in Energy Consumption on corporate buildings	50	-	-	-	-	**50**	50
		TOTAL - Economy	**550**	**-**	**-**	**-**	**-**	**250**	50

Haringey LONDON

Business Planning / MTFS Options 2021/22 – 2025/26

HO101

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	Housing Team Salaries - increase HRA contribution		
Priority:	Housing	**Responsible Officer:**	Robbie Erbmann
Affected Service(s) and AD:	Housing, Robbie Erbmann	**Contact / Lead:**	Housing Programme Manager

Description of Option: •What is the proposal in essence? What is its scope? What will change? •What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs) •How will the proposal deliver the benefits outlined? [Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]
Currently the Housing Strategy & Commissioning team are part funded from the GF and part from the HRA. Due to more of the projects now being funded by the HRA there is scope to transfer more salary costs to the HRA too. The process for doing this has been fully reviewed with the relevant management accountant and finance business partner and the amount that can be released has been confirmed as 274k.

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts *All figures shown on an incremental basis*	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**
New net additional savings	**274**	**-**	**-**	**-**	**-**	**274**

Initial One-Off Investment Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
Total	-	-	-	-	-	-

Financial Implications Outline •*How have the savings above been determined? Please provide a brief breakdown of the factors considered.* •*Is any additional investment required in order to deliver the proposal?* •*If relevant, how will additional income be generated and how has the amounts been determined?* •*Please describe the nature of one off implementation costs (if applicable)*
The savings have been determined by assessing the percentage of team members time spent on HRA funded activities vs General Fund funded activities. As the Housing Delivery Team and TA acquisitions programme are now fully HRA funded any work related to these can also be charged to the HRA. The only remaining General Fund activity is monitoring of and support to the HfH Housing Demand service (TA related) which only requires a smaller percentage of a few team members time. The payroll will be adjusted to reflect the change.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? *(1 = not at all confident;* *5 = very confident)*	5

Indicative timescale for implementation

Est. start date for consultation *DD/MM/YY*	01/04/2021	Est. completion date for implementation *DD/MM/YY*	01/04/2021
Is there an opportunity for implementation before April 2021? *Y/N* ; any constraints?	N		

Implementation Details •*How will the proposal be implemented? Are any additional resources required?* •*Please provide a brief timeline of the implementation phase.* •*How will a successful implementation be measured? Which performance indicators are most relevant?*
The salary budgets can be reduced prior to the start of the new financial year.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)
Positive Impacts
n/a - this change is internal only and will have no impact on residents
Negative Impacts
n/a - this change is internal only and will have no impact on residents

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? List both positive and negative impacts.
Positive Impacts
n/a - this change is internal only and will have no impact on businesses, members etc
Negative Impacts
n/a - this change is internal only and will have no impact on businesses, members etc

How does this option ensure the Council is able to meet **statutory requirements**?
n/a - this has no impact on the ability to meet statutory requirements. Support to and monitoring of Housing Demand services can still take place.

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
None			

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. [EqIA Screening Tool]	n/a
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	n/a

Reviewed by		
Director / AD		*[Comments]*
[name]	Signature:	
	Date:	
Finance Business Partner		*[Comments]*
[name]	Signature:	
	Date:	

Haringey LONDON

Business Planning / MTFS Options
2021/22 – 2025/26

HO102

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	HfH taking over the lease of PSL properties on their expiry		
Priority:	Housing	**Responsible Officer:**	Robbie Erbmann
Affected Service(s) and AD:	HfH Housing Demand	**Contact / Lead:**	Housing Programme Manager

Description of Option:
•What is the proposal in essence? What is its scope? What will change?
•What will be the impact on the Council’s objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
•How will the proposal deliver the benefits outlined?
[Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

The proposed MTFS Savings is in addition to the already agreed savings submited last year and which have subsequently been reprofiled. The savings represent a reduction in cost over the 5 years as result of HfH taking on existing leases as they expire, enabling rents to be increased to LHA.

The MTFS 20-21 includes an existing saving to be achieved by HfH taking up the next lease of the Council's current PSL stock when the current lease with the Council expires. As tenants of HfH will be able to claim higher rates of Housing Benefit than those with the Council, HfH can charge higher rents without impacting the tenants. The higher Housing Benefit will also significantly reduced the current shortfalls in Housing Benefit which the Council currently meets with an internal transfer.
This was originally forecast to make 612k of savings between 2020-21 and 2024-25.
As the scoping of the project has progressed it has become clear that the eventual savings could be increased overall, and more brought forward into 2021-22 but at the expense of additional staff for 18 months.
Full details of this submission are provided showing the change in profile to bring the savings forward.

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts *All figures shown on an incremental basis*	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**
New net additional savings	**-209**	**-68**	**-51**	**-12**	**-1**	**-341**

Initial One-Off Investment Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
Total	-	-	-	-	-	-

Financial Implications Outline

•How have the savings above been determined? Please provide a brief breakdown of the factors considered.
•Is any additional investment required in order to deliver the proposal?
•If relevant, how will additional income be generated and how has the amounts been determined?
•Please describe the nature of one off implementation costs (if applicable)

The savings originally submitted have been reviewed by the PSL Project Manager and an increased level of savings proposed. In order to deliver the savings quickly additional resources will be required in Year 1 & 2 in order to facilitate landlords and tenants signing up to new leases with HfH so their is an additional staffing cost.

The saving(s) already included in MTFS 2018/23 shown in line E on the Financial Benefits Detail have been reprofiled from the original submission.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? *(1 = not at all confident;* *5 = very confident)*	4 - there are significant risks in ensuring that the additional capacity in the HfH team is recruited in a timely manner and that tenants and landlords are willing to sign up to new tenancies with HfH. There is no impact to tenants in terms of rent paid by them, but it is possible that they have concerns which may take time to allay.

Indicative timescale for implementation

Est. start date for consultation *DD/MM/YY*		Est. completion date for implementation *DD/MM/YY*	
Is there an opportunity for implementation before April 2021? *Y/N* ; any constraints?	Yes, implementation of the project is scheduled to begin in October 2020 but additional staffing is required in the first 18 months to sign up landlords with HfH which means that savings might start until 2021/22.		

Implementation Details •*How will the proposal be implemented? Are any additional resources required?* •*Please provide a brief timeline of the implementation phase.* •*How will a successful implementation be measured? Which performance indicators are most relevant?*
A detailed PID has been produced which outlines the project team, implementation process, timeline and key milestones. The project scoping is now completed and the project is in Phase 2 Recruitment of additional staff. Pending recruitment being successful and new starters being in place the delivery stage of the project should start in October 2020. The delivery of the project will be measured by the number of new leases completed within required timescales. A project team is in place, and a project board will be set up, reporting progress to Housing Priority Delivery Board.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)
Positive Impacts
N/A
Negative Impacts
There is the possibility that some tenants will be concerned about signing a lease at a higher rent level with HfH instead of the council. This will be mitigated by effective communication with relevant tenants at all stages. Rent increases will be met from increased benefits and will have no effect on tenants themselves.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? List both positive and negative impacts.
Positive Impacts
This may increase the income/incentives received by some partner landlords who rent properties to homeless households
Negative Impacts
N/A

How does this option ensure the Council is able to meet **statutory requirements**?
This proposal, of itself, neither prevents nor enhances the Council's ability to meet its statutory responsibilities

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
HfH teams do not set up the required number of leases within the required timescales	H	M	close monitoring of the project delivery, additional staff being brought in. Recruitment is already underway.
Tenants refuse to transfer	M	L	indepth communications
Landlords refuse to transfer	M	M	Incentives could be introduced/increased

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. EqIA Screening Tool	Yes
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	No

Reviewed by		
Director / AD		*[Comments]*
[name]	Signature:	
	Date:	
Finance Business Partner		*[Comments]*
[name]	Signature:	
	Date:	

Business Planning / MTFS Options 2021/22 – 2025/26

EC101

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	Property Review and Rationalisation - Recharging Property work		
Priority:	Economy	**Responsible Officer:**	David Joyce
Affected Service(s) and AD:	Corporate	**Contact / Lead:**	Christine Addison

Description of Option:
•What is the proposal in essence? What is its scope? What will change?
•What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
•How will the proposal deliver the benefits outlined?
[Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Property is one of the Council's major resources - a major cost to the Council, a major source of income and a major component in strategies for service delivery and economic growth. Property changes including changes in use, increasing in costs, investments or release of property are often the consequence of service or policy based changes. A number of these have been successful invest to save propositions, and others are based service improvement ambitions as the main driver with property costs or opportunity costs being ancillary.

In current circumstances, it is necessary to focus more sharply on the potential for the Council's property assets to either increase revenue or produce revenue savings or to rationalise assets to produce capital receipts and reduce operating costs. To achieve this will require corporate oversight of property related decision to be stronger than it is now.

Savings from property and property rationalisation can rarely be produced quickly, and workships are taking place over the next few months to streamline and rationalise the property portfolio across the council. However in the meantime some early savings have potentially been identified by charging costs to the HRA for work undertaken by the Property Team in relation to delivering the Council Housing Delivery Programme. This is will not cover all the costs of the development team /AMP work associated with property work but this will be looked at further as part of the property rationalisation work.

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts *All figures shown on an incremental basis*	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**
New net additional savings	**- 300**	**-**	**-**	**-**	**-**	**300**

Initial One-Off Investment Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
Total	-	-	-	-	-	-

Financial Implications Outline •*How have the savings above been determined? Please provide a brief breakdown of the factors considered.* •*Is any additional investment required in order to deliver the proposal?* •*If relevant, how will additional income be generated and how has the amounts been determined?* •*Please describe the nature of one off implementation costs (if applicable)*
Has been confirmed that the HRA will be recharged for these costs.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? *(1 = not at all confident; 5 = very confident)*	4

Indicative timescale for implementation

Est. start date for consultation *DD/MM/YY*	N/A	Est. completion date for implementation *DD/MM/YY*	01/04/2021
Is there an opportunity for implementation before April 2021? *Y/N* ; any constraints?	N		

Implementation Details *•How will the proposal be implemented? Are any additional resources required?* *•Please provide a brief timeline of the implementation phase.* *•How will a successful implementation be measured? Which performance indicators are most relevant?*
The costs will be recharged as part of finance processes.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)
Positive Impacts
NO impact as there will be no change to services. This is a recharge of budgets
Negative Impacts
NO impact as there will be no change to services. This is a recharge of budgets

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? List both positive and negative impacts.
Positive Impacts
NO impact as there will be no change to services. This is a recharge of budgets
Negative Impacts
NO impact as there will be no change to services. This is a recharge of budgets

How does this option ensure the Council is able to meet **statutory requirements**?
N/A

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
None			

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. [EqIA Screening Tool]	Yes
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	No

Reviewed by		
Director / AD		*[Comments]*
[name]	Signature:	
	Date:	
Finance Business Partner		*[Comments]*
[name]	Signature:	
	Date:	

Haringey LONDON

Business Planning / MTFS Options
2021/22 – 2025/26

EC102

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	PBSS _ Maximising income		
Priority:	Economy	**Responsible Officer:**	David Joyce, Director of Housing, Regeneration and Planning
Affected Service(s) and AD:	Rob Krzyszowski, Interim AD for Planning, Building Standards & Sustainability	**Contact / Lead:**	Rob Krzyszowski, Interim AD for Planning, Building Standards & Sustainability

Description of Option:
•What is the proposal in essence? What is its scope? What will change?
•What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
•How will the proposal deliver the benefits outlined?
[Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Raising our Pre-application service fees to be in line with the upper quartile of comparable London broughs. Haringey's Fees and charges schedule for discretionary pre-app service was last updated in 2019, however both service standards and costs have risen. This rise will achieve an increase in income. We are also proposing to revise our processes to ensure that all officer time is chargeable including Carbon team input, Conservation & Design etc. These officers are currently not charged for. Additional fees for an 'express written advice service' for residents and 'express' services for assessing lawful development certificates and planning applications are also proposed.

Housing
Relevant extracts from the Borough Plan:
Outcome 1) We will work together to deliver the new homes Haringey needs, especially new affordable homes
Objective a) Deliver as many new, good quality homes of all kinds as we can, in good quality neighbourhoods, getting as close as possible to the Mayor of London's emerging target for Haringey of 1,502 [sic 1,958] homes every year
Action: Deliver estate renewal where estate ballots show clear resident support for the proposals
Objective b) Ensure new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the borough, prioritising new social rented homes
Action: Prioritise social rented homes in particular
Action: Provide more affordable intermediate homes like those at London Living Rent
Action: Develop a revised Housing Strategy setting out our approach to delivering the right mix of affordable homes, including by reviewing what we mean by 'affordability'
Objective c) Deliver 1,000 new council homes at council rents by 2022
Action: Secure homes on privately owned land through the Planning system (under Section 106)
Objective d) Secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough
Action: Improve the use of Planning agreements (Section 106) to bring in specialist and extra care housing in mixed developments

People
Planning helps to spatially coordinate investment in education and health infrastructure as part of nurturing strong communities.

Place
Relevant extracts from the Borough Plan:
Outcome 9) A healthier, active and greener place
Objective a) Protect and improve parks, open space, and green space, promoting community use
Objective b) Increase the levels of physical activity across the borough
Action: Create healthier places, including parks and open spaces, in line with the Mayor of London's Healthy Streets plan, to support people to be active by cycling, walking, playing, and participating in sport.
Action: Bring about a shift from car use to walking and cycling by promoting the concept of "active travel"
Objective c) Improve air quality, especially around schools
Action: Implement measures through planning controls and sustainable design to reduce the impacts of emissions from developments and buildings on the local community.
Objective d) Reduce CO2 by 40% before 2020 and begin the journey to reduce to zero by 2050
Action: Require all new development to achieve the Zero Carbon Standard.
Outcome 10) A cleaner, accessible and attractive place
Objective a) Provide safe and accessible roads, pavements and other public spaces for everyone, especially vulnerable users
Action: Invest over £3million to reduce flooding and risk of flooding through measures that will also enhance the public realm.
Objective b) Improve cleanliness and reduce the levels of fly tipping
Objective c) Provide an attractive and well-maintained public realm
Objective d) Minimise the amount of waste generated by our residents and businesses and increase levels of recycling
Action: Require new development to have integrated, well-designed recycling facilities.
Outcome 11) A culturally engaged place
Objective a) Provide accessible, quality spaces for people to come together, especially for young people and children
Action: Safeguard and strengthen the borough's cultural heritage by effectively managing, investing in, and encouraging access to our heritage a+H6ssets, museums, and libraries.
Action: Protect and promote creative and cultural activity and infrastructure that enables people to gain skills and employment in creative industries and increases investment into the borough.
Objective b) Foster a strong and diverse cultural offer
Objective c) Improve connectivity
Action: Deliver major infrastructure projects to improve transport links in the borough, including improvements at Tottenham Hale and Seven Sisters
Action: Make it easier to cycle around and through the borough by working with Transport for London on new cycle routes.
Action: Improve walking, cycling and bus networks, as well as public transport interchanges, enabling people to move easily around the borough and through the borough.

Economy
Outcome 13) A growing economy and thriving local businesses, supported by a communit wealth-building approach
Objective a) Maximise the benefits of council, other public sector funding and private investment for the local area
Objective b) Make it easier to do business in Haringey
Objective d) Provide affordable business space across the borough
Action: Ensure the delivery of the right mix of employment spaces through the planning process.
Action: Pilot employment intensification approaches in key employment areas where space is at a premium, such as in the Upper Lea Valley.
Action: Use meanwhile spaces for flexible workspaces.
Action: Pilot innovative approaches to address the affordability of workspaces in key economic sectors.
Action: Seek to maximise employment intensity in Haringey's industrial estates, leading by example through the use of Council land
Objective e) Support our town centres and high streets to thrive in a changeable economy
Outcome 14) A borough where all residents have access to training and skills development opportunities and more people are supported into work
Objective b) Increase the number of Haringey residents, especially from disadvantaged background and/or with additional needs, securing quality employment
Objective c) Support higher numbers of local residents, in particular those from disadvantaged backgrounds, to secure quality apprenticeships
Action: Build in need to provide apprenticeship opportunities in our regeneration and development activities including s106 agreements with developers
Outcome 15) A borough with more quality jobs with opportunities for progression
Objective a) Ensure investment in the borough increases the number of quality jobs for local people
Action: Leverage agreements with investors and partners to maximise benefits for local people, including by securing the delivery of S106 skills and training opportunities
Outcome 16) Regeneration with social and economic renewal at its heart, focused on Tottenham and Wood Green
Objective a) Regeneration for the benefit of our communities within Tottenham and Wood Green
Action: Deliver new homes and jobs on High Road West, securing substantial community benefits through the process
Action: Continue to invest in Tottenham Hale, including new jobs, shops and community facilities
Action: Deliver new investment and improvements in Tottenham and Wood Green, as set out in their Strategic Regeneration Frameworks, including to public spaces and community facilities.
Objective b) Take account of how people feel about the way their local areas are changing, building cohesive and resilient communities
Action: Engage with local communities to identify aspirations and priorities for their local areas
Action: Seek to bring in external funding and use Section 106 and Community Infrastructure Levy budgets achieve maximum impact
Objective c) Use council land and assets to promote improved outcomes for residents
Action: Pilot new approaches to community hubs and spaces to deliver new community infrastructure and housing on council-owned sites.
Objective d) Bring the physical and social infrastructure that growing communities need
Action: Lobby regional and national government to secure the strategic investment required to help Haringey grow, including Crossrail 2, Lea Valley Rail and the Piccadilly Line upgrade
Action: Work with partners and community stakeholders to ensure the right social and community infrastructure is in place to support local needs.
Action: Secure investment from development to support the delivery of local physical and social infrastructure

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts *All figures shown on an incremental basis*	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**

New net additional savings	**- 200**	**-**	**-**	**-**	**-**	**- 200**

Initial One-Off Investment Costs	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**
Total	**-**	**-**	**-**	**-**	**-**	**-**

Financial Implications Outline *•How have the savings above been determined? Please provide a brief breakdown of the factors considered.* *•Is any additional investment required in order to deliver the proposal?* *•If relevant, how will additional income be generated and how has the amounts been determined?* *•Please describe the nature of one off implementation costs (if applicable)*
Additional income will generated In line with other boroughs.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? *(1 = not at all confident;* *5 = very confident)*	3

Indicative timescale for implementation

Est. start date for consultation *DD/MM/YY*	01/01/2021	Est. completion date for implementation *DD/MM/YY*	01/04/2021
Is there an opportunity for implementation before April 2021? *Y/N* ; any constraints?	Y		

Implementation Details •*How will the proposal be implemented? Are any additional resources required?* •*Please provide a brief timeline of the implementation phase.* •*How will a successful implementation be measured? Which performance indicators are most relevant?*

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)
Positive Impacts
More structured processes
Negative Impacts
Poorer customer service - Mitigate by general ongoing service improvement actions. Reduced ability to respond to demands for policy and projects - Mitigate by prioritising projects and dropping lower-priority projects.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? List both positive and negative impacts.
Positive Impacts
More structured processes
Negative Impacts
Poorer customer service - Mitigate by general ongoing service improvement actions. Reduced ability to respond to demands for policy and projects - Mitigate by prioritising projects and dropping lower-priority projects.

How does this option ensure the Council is able to meet **statutory requirements**?
All mentioned services are statutory functions. This will be monitored and managed through good work planning and prioritisation of statutory functions over non-statutory.

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
Government reforms 'Planning for the Future'	M	M	Ongoing monitoring, response to consultations, training. Reforms will need primary & secondary legislation & will likely be watered-down. Reform has been ongoing for last 10+ years and plans have been and functions have had to constantly adapt to date.
Brexit / COVID-19 / market uncertainty	H	M	Ongoing monitoring of market activity.
Not achieving the housing target and demonstrating a 5 Year Housing Land Supply	M	M	Ongoing monitoring.
Falling below the 10% threshold of major appeals over-turned and enter into 'special measures'	H	M	Ongoing monitoring, Member training.

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. EqIA Screening Tool	N
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	To be screened

Reviewed by		
Director / AD		*[Comments]*
[name]	Signature:	
	Date:	
Finance Business Partner		*[Comments]*
[name]	Signature:	
	Date:	

Business Planning / MTFS Options
2021/22 – 2025/26

EC103

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	Corporate Estate Energy Efficiency Programme		
Priority:	Economy/Place	**Responsible Officer:**	David Joyce
Affected Service(s) and AD:	Carbon Management, PBSS	**Contact / Lead:**	Joe Baker

Description of Option:
•What is the proposal in essence? What is its scope? What will change?
•What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
•How will the proposal deliver the benefits outlined?
[Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

To identify the largest energy consumers in the Corporate Estate, where the bills are paid for directly from the Council revenue accounts. And to confirm that these buildings will remain within the corporate portfolio long term. Identifying the 10 key buildings. Then to develop an Energy Assessment which will set out the measures needed to reduce the ongoing energy demands (heating, cooling, and Elec) in these buildings. Bringing the buildings as close to Zero Carbon as it possible within a viable payback period of the buildings life. In doing this the Council will be delivering on the Borough Plan - Zero Carbon Ambition, and will make revenue savings due to reduction in energy bills. The value of this saving will increase as it has been identified that future energy bills will be increasing each year by between 6-10%.

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts *All figures shown on an incremental basis*	**2021/22 £000s**	**2022/23 £000s**	**2023/24 £000s**	**2024/25 £000s**	**2025/26 £000s**	**Total £000s**
New net additional savings	50	-	-	-	-	-

Initial One-Off Investment Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
Total	**50**	**-**	**-**	**-**	**-**	**50**

Financial Implications Outline •*How have the savings above been determined? Please provide a brief breakdown of the factors considered.* •*Is any additional investment required in order to deliver the proposal?* •*If relevant, how will additional income be generated and how has the amounts been determined?* •*Please describe the nature of one off implementation costs (if applicable)*
The figures above are estimates at this stage . These will be determined once the buildings are identified (there current energy use), the measures that could be installed (the cost), and the then the savings made. The savings are related to energy consumption in the buildings, and the reduction in costs. It should also factor in future energy costs, and this will increase the impact of the saving.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? *(1 = not at all confident;* *5 = very confident)*	4

Indicative timescale for implementation

Est. start date for consultation *DD/MM/YY*	01/10/2020	Est. completion date for implementation *DD/MM/YY*	01/10/2021
Is there an opportunity for implementation before April 2021? *Y/N* ; any constraints?	Limited on measures.		

Implementation Details •*How will the proposal be implemented? Are any additional resources required?* •*Please provide a brief timeline of the implementation phase.* •*How will a successful implementation be measured? Which performance indicators are most relevant?*
1.Appoint a project manager to identify the buildings (that will remain long term assets) where measures could be delivered in / viable in. 2.Gather details on the building 3.Appoint an M&E engineer to review all the buildings and bring forward business cases on the measures, costs, suppliers, funding options, delivery and installation processes. 4.Bring forward the business case to drawdown capital 5.Implement 6.Repeat stages 2-5 on all buildings.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)
Positive Impacts
1.Supports the boroughs Zero Carbon Ambition 2.Increases the ability to rent out space in buildings legally 3.Will demonstrate to staff that the Council is saving money and improving environmental performance.
Negative Impacts
1.Measures to heating systems may only be able to be installed during the summer (when systems are less used) 2.There may be interference in office space while measures are installed (such as Double Glazing).

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? List both positive and negative impacts.
Positive Impacts
1.Project design and business case will have not impact on the working environment and partnership. 2.Installations may impact on the work space, but this brings positive PR as measures are installed.
Negative Impacts
1.Project design and business case will have not impact on the working environment and partnership. 2.Installations may impact on the work space, but this brings positive PR as measures are installed.

How does this option ensure the Council is able to meet **statutory requirements**?
yes - the ability to rent out office space legally.

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
Lack of PM to oversee the works	H	H	Asked for ability to recruit.
Lack of clarity on the long term use of buildings	H	M	Get asset strategy agreed before assessments start, identify Leisure Centres and relationship with Fusion.
Business cases may not make the full financial savings	H	M	Review previous works on buildings

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. [EqIA Screening Tool]	Yes one has, this proposal is likely to have no/minimal impact on groups that share the protected characteristics or other disadvantaged groups. It focuses on Buildings operational costs.
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	no.

Reviewed by		
Director / AD		*[Comments]*
Rob Krzyszowski	Signature:	
	Date:	
Finance Business Partner		*[Comments]*
[name]	Signature:	
	Date:	

Housing

SCHEME REF	SCHEME NAME	2021/22 Budget £,000	2022/23 Budget £,000	2023/24 Budget £,000	2024/25 Budget £,000	2025/26 Budget £,000	2021/22 - 25/26 Total £,000
509	CPO - Empty Homes	6,000	1,000	1,000	0	0	**8,000**
Housing (GF) Homes & Communities		**6,000**	**1,000**	**1,000**	**0**	**0**	**8,000**

Expansion of CPO budget. In response to the growing number of empty homes in the borough, Cabinet agreed a refreshed version of the Council's existing empty homes policy in July 2020 - the Policy's overarching aim is to bring all empty homes back into use. Building on the work already carried out to manage empty homes, the refreshed Policy offers a variety of tools and balances support and advice for landlords and an enforcement approach when efforts to work with the owner fails. The strengthened enforcement approach requires an increase in capital funding and Cabinet agreed at its meeting in July to - Note that a capital bid of £5m will be made to increase the CPO budget to £6m as part of the 2021/22 budget setting process. The increase in capital will meet the increase in CPO action and the introduction of Empty Dwelling Management Orders.

Compulsory Purchase Orders (CPO). Where it can be proven that no other means is available to the Council which will result in the property being returned to use, the Council can seek to use Compulsory Purchase Orders (CPO). The Council's CPO powers are used as a final option and are governed by legislation and must be in accordance with Government guidance. In pursuing a CPO the Council must show that all necessary funding is likely to be available to bring this property back into use as housing accommodation, failure to do so is likely to result in the Secretary of State refusing the application. Capital funding is currently available for the purchase of empty homes, however the current market value of homes in the borough often allows for only one or two purchases to be made at any one time.

Empty Dwelling Management Orders (EDMOs). Cabinet agreed to extend enforcement powers to include EDMOs. EDMOs bridge the gap between voluntary measures and CPOs. The process is complex, resource-intensive, and requires two stages, an interim and final stage, at the end of which the council can let and renovate the property and then recover the costs of that process through rental income.

The bid is for £5m in 2021/22.

Economy

SCHEME REF	SCHEME NAME	2021/22 Budget £,000	2022/23 Budget £,000	2023/24 Budget £,000	2024/25 Budget £,000	2025/26 Budget £,000	2021/22 - 25/26 Total £,000
401	Tottenham Hale Green Space	810	2,961	5,096	3,794	0	**12,661**
402	Tottenham Hale Streets	7,930	850	600	350	0	**9,730**
4003	Tottenham Hale Housing Zone Funding	6,663	4,326	0	3,663	0	**14,652**
411	Tottenham Heritage Action Zone (HAZ)	1,007	2,000	1,200	0	0	**4,207**
421	HRW Acquisition	90,000	3,940	6,830	6,000	0	**106,770**
429	Site Acq (Tott & Wood Green)	14,750	14,000	10,000	12,000	0	**50,750**
430	Wards Corner CPO	10,000	0	0	0	0	**10,000**
464	Bruce Castle	4,000	6,000	8,500	0	0	**18,500**
465	District Energy Network (DEN)	1,500	6,500	3,500	0	0	**11,500**
480	Wood Green Regen (2)	4,900	8,000	7,750	8,664	0	**29,313**
481	Strategic Investment Pot	1,987	1,950	0	0	0	**3,937**
482	Strategic Property	1,273	254	3	0	0	**1,530**
4001	Maintenance of Tottenham Green Workshops	50	0	0	0	0	**50**
4002	Northumberland Park estate area public realm	500	0	0	0	0	**500**
4005	SME Workspace Intensification	2,000	3,500	4,000	0	0	**9,500**
4006	Acquisition of head leases	10,000	12,000	0	0	0	**22,000**
4007	Tottenham Hale Decentralised Energy Network (DEN)	1,814	2,000	5,000	7,000	7,500	**23,314**
4008	Wood Green Decentralised Energy Network (DEN)	1,614	2,000	2,500	7,500	7,500	**21,114**
4009	Additonal Carbon Reduction Project	3,000	3,000	3,000	3,000	0	**12,000**
4010	Selby Urban Village Project	5,000	25,000	25,000	15,000	17,316	**87,316**
473	Enterprising Tottenham High Road (ETHR)	1,730	451	0	0	0	**2,181**
474	Tottenham High Road Strategy	600	587	0	0	0	**1,187**
475	Heart of Tottenham (HOT)	866	0	0	0	0	**866**
488	Liveable Seven Sisters (LSS)	1,227	2,250	1,019	0	0	**4,496**
493	Bruce Grove Yards (BGY)	1,300	1,670	218	0	0	**3,188**
4993	Pride in the High Road (PITHR)	400	432	0	0	0	**832**
404	Good Economy Recovery plan	1,400	500	100	0	0	**2,000**
453	New workspace scheme at Stoneleigh Road car park	400	1,000	0	0	0	**1,400**
454	HALS Improvement Programme	125	0	0	0	0	**125**
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	652	0	0	0	0	**652**
Economy - Growth & Employment		**177,498**	**105,171**	**84,316**	**66,971**	**32,316**	**466,271**

The Good Economy Recovery Plan. The plan was published in August 2020 and includes a set of subsidiary strategies. The High Streets Recovery Action Plan was published alongside and includes a list of both funded and unfunded projects. Of the unfunded projects, some can be capitalised. Officers have produced outline costings for these activities, which this bid seeks to cover. Costs that can be capitalised include:

- Making High Streets Fit for purpose - £500k (building on short-term Reopening High Streets Safely interventions and targeting high streets not covered by that grant)

- Meanwhile...in Haringey - £400k (capital works to bring vacant shops into use, new signage treatment, fit out and occupation with Haringey SMEs/creatives/producers - focus on Council premises but with investigations for private vacant buildings, to be match funded in return)
- Shutter Gallery - £250k build on pilot project, circa £30k per parade for 10 creative murals/treatments
- Market trading investment - £30k capital investment for TGM, £30k for Crouch End / other Town Centres
- 'Welcome Back' to town centres - signage/commissions at key gateways
- Shopfront improvement schemes - £550k for schemes in 4 town centres, circa 20 businesses
- Unallocated - £240k

It is intended that this is a borough-wide allocation, which would concentrate activities on areas with highest concentrations of businesses to maximise impact. This would address existing area gaps (no capital funding currently for Crouch End or any other businesses outside Wood Green and Tottenham) and gaps in uncommitted spend (existing allocations of capital for Tottenham and Wood Green are project-specific and do not include allocations for the above projects). This allocation would deliver against the Place and Economy priorities of the Borough Plan and would be pivotal in allowing the Council to meaningfully respond to the pressures created by the Covid-19 pandemic.

An allocation from the approved capital programme contingency has been made for 2020/21 of £0.25m. The balance of funding for the scheme is £1.4m in 2021/22, £0.5m in 2022/23 and £0.1m in 2023/24.

The 551b High Road. This bid is to expand the existing proposal for a mixed-use development. The current scheme at the site is not viable and initial studies indicate that a larger project would be viable. The project sits within the 'Enterprising Tottenham High Road' scheme. The bid is seeking to cover the costs of delivering a larger building, with increased outputs. The project has been included as part of the Council's Future High Streets Fund bid which seeks a contribution of £2m of grant funding from MHCLG, with the result announced in the Autumn. As it is unclear whether the bid will be successful, this new Capital Bid is intended to allow the larger project to continue if the MHCLG funding is not secured. The project is high priority within the repair and renewal plans for the following reasons:

- A viability appraisal has concluded that the larger option is viable if let at market rents
- The project is supported by contractually committed external match funding
- It is part of a wider programme (Enterprising Tottenham High Road) and forms evidence to support a current bid to Future High Streets Fund
- The building is a Council owned asset, and so further investment will allow the Council to extract social value through new employment opportunities
- The project delivery is in line with Community Wealth Building principles, targeting a locally orientated multi-disciplinary design team and maximising opportunities for paid local commissioning
- The project's ambitious sustainability targets align with the Council's target to become a Carbon Neutral Borough by 2041

- The project supports the GERP’s top priorities, including helping businesses into work/training through offering work experience/apprenticeships and delivering new, high quality workspace
- The project represents significant investment into the physical environment of the High Street (Tottenham High Road) through delivery of publicly accessible yard space and a new F&B facility. If the Council is successful with FHSF in the autumn the capital bid would be reviewed in consultation with lead and ward members.

The funding for the scheme is £0.750m in 2021/22, £1.250m in 2022/23.

Stoneleigh Walk Car Park. This project covers a range of schemes to develop mixed use housing and employment space on several council owned car parks. The car parks involved are:

Stoneleigh Rd Car Park C:
Stoneleigh Rd Car Park B
Stoneleigh Rd Car Park A
Tottenham Green Workshop Car Park
Somerset Rd Car Park

The scheme is part of the Future High Streets Fund bid. Should the bid be successful then this bid will not be required. Should it not be successful then it will be funded through existing resources. This is a new bid for a capital scheme covering the mixed use development of 7 Council owned car park sites supporting employment uses, housing delivery (c. 82 homes) and placemaking. This bid is for the non housing costs only. The housing related costs will be contained within the HRA capital programme.

The project is included as part of the Council’s Future High Streets Fund bid which seeks a contribution of £2.39m of grant funding from MHCLG, with the result announced in the Autumn. As it is unclear whether the bid will be successful, this new Capital Bid is intended to allow the project to continue if the MHCLG funding is not secured.

The bid cost includes:

Design team fees for masterplanning and development of the employment elements of the scheme to RIBA 4 (tender). The housing elements of the project will be separated at the commencement of RIBA Stage 2 and will be delivered and funded by the Housing Delivery Team.

- Masterplanning design fees to assist with early viability appraisals and brief development - £100k
- Design fees for employment uses from RIBA 0-4 - £450k
- Surveys and due diligence - £100k
- QS fees - £50k
- Planning fees (Pre app and QRP) - £20k
- Legal fees - £15k
- Procurement/DPS fees - £15k
- Delivery costs for 1 workspace element - £1m
- Total - £1.75m

Currently the early stages of the project are being funded through the existing capital programme. The proposed allocation for future years is £0.4m in 2021/22, £1.0m in 2022/23.

HALS Improvement. The HALS bid is to remodel their existing accommodation to facilitate new models of service delivery as well as investment in ICT to improve the online learning experience for learners and the wider Haringey workforce. This bid provides for deploying a multi-modal learning solution, that will allow HALS to offer a hybrid approach to delivering courses, supporting learners at its Wood Green Facility, online in their homes, and out in the community. It includes a project to procure and deploy a corporate Learning Management Solution, taking advantage of an opportunity to combine the requirements of HR Workforce to replace the Fuse Learning Solution, with HALS need for a VLE and learning delivery needs from services across the council. The proposal will increase HALS capacity and reach, improve the quality of their facilities and online delivery, increasing their engagement with the community and opportunities to secure future funding. While the corporate LMS solution will provide a more compliant workforce, delivering better knowledge retention, and improved rates of training completion, while streamlining administration and course management contributing to improved opportunities and outcomes for learners. The risks in not progressing with this piece of work are, a severely degraded learner experience, an inability to meet the learning needs of our community in light of the Coivd-19 restriction to the operating model, and an increasing risk of critical failure of HALS infrastructure. The Fuse contract would also have to be extended beyond Aug-21, and/or alternative service specific LMS solutions procured, at greater council wide expense. The combined cost of these solutions is £300k over the next two financial years (through to Dec-21). The 2020/21 cost of £175k will be met from the existing IT Capital Budget and this bid is to fund the additional expenditure of £125k.

Cloud Based ICT for planning and building control. The planning and building control service have identified a need to move to a cloud based online system that will reduce risks and costs and improve the service offer. The project will commence and complete in 2021 so the spend profile will be £652k in 2021/22

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MTFS Savings Tracker (2020/21 - 2024/25)
Priority: Economy & Housing

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	Total £'000
Economy									
20/25-EC03	11-Feb-20	Alternative funding model for sites delivery work	Regeneration officers are engaged in a significant amount of work on the delivery of sites which will result in new housing (including affordable housing). This proposal is to review that activity and identify where general fund revenue could be displaced by either S106 funding or new capital budgets.	100	0	0	0	0	**100**
EC5	12-Feb-19	Outdoor media adverstising	Proposal to generate new income from outdoor media, utilising the council's landholdings by identifying sites suitable for outdoor installations. It is estimated that net income in 2020/21 would be at least £100k, and increasing significantly over future years.	15					
20/25-EC02	11-Feb-20	Reduction of North Tottenham Regeneration revenue budgets	The proposal is to reduce general fund revenue costs in North Tottenham budgets (Northumberland Park and High Road West) by reducing expenditure on e.g. some community engamenent activities and events.	75					
20/25-EC01	11-Feb-20	Head Lease Acquisition Programme	The proposal is to allocate capital budget to enable the acquisition by the Council of as many head-leases as possible on sites where the Council already owns the freehold, in order for the Council to stop paying rent to these landlords and to receive all of the passing rent from those properties which are tenanted by commercial or other tenants.	100	120	130	120		**470**
20/25-EC04	11-Feb-20	Use of Strategic Acquisitions budget for sites delivery work	The Regeneration service has submitted a bid for new capital funding for Employment-Led sites delivery. This proposal would seek to offset the impact of these costs on revenue budgets. The proposal is to identify costs within the service that are eligible for this funding, and to apply LBH Capital to offset LBH revenue spend. Achieving these savings will require a corresponding capital allocation.	75	0	0	0	0	**75**

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	Total £'000
20/25-EC05	11-Feb-20	Increased capitalisation of staff time and project costs	As of 19/20, the Regeneration service has rapidly increased its capitalisation of costs, which is now high in all Area Regeneration budgets. The proposal is to capitalise further, using an increased capital budget for Tottenham Hale. A bid to increase the existing Streets & Spaces and Green & Open Spaces capital lines (Schemes 401 and 402) has been submitted, on the grounds of construction inflation and increased capitalisation requirements.	75	0	0	0	0	**75**
20/25-EC06	11-Feb-20	Increased recharge to HRA	The service is now engaged in a significant amount of work on estates and on the delivery of new affordable housing, which would be eligible for HRA spend. The proposal is to increase the amount of revenue funding provided from the HRA each year. A review of the HRA budget is underway, and it is proposed that this work accomodates an increased recharge from Regeneration on a yearly basis, reflecting new workstreams on estates and towards the delivery of affordable housing.	100	0	0	0	0	**100**
20/25-EC07	11-Feb-20	HRP Senior Restructure	In June 2019, the S&R commitee approved the senior managment restructure within Housing, Regeneration & Planning. With a number of changes taking place within the Directoraite, the restructure was an opportunity to streamline the structure, align responsibilities to achieve maximum efficiency and eliminate duplication while recognising the need to build a confident and stable approach to Housing, Regeneration and Planning.	30	0	0	0	0	**30**
20/25-EC08	11-Feb-20	Strategic Property Unit – New Income Outdoor Media	This proposal comprises an opportunity to achieve new income potential by securing rental payments from outdoor media companies. This includes digital billboards and an innovative building wrap with a digital display for advertising purposes and council messages.	100	0	0	0	0	**100**
20/25-EC09	11-Feb-20	Strategic Property Unit – New Income Rent Reviews	The saving arises from rent reviews that have been identified as overdue. Two agency employees have achieved the target savings in the years 2018/2020 to date and further savings have been identified and agreed with tenants as rent increases.	100	0	0	0	0	**100**

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	Total £'000
20/25-EC10	11-Feb-20	Strategic Property Unit – New Income 5g	This proposal comprises an opportunity to achieve new income potential by securing rental payments from Mobile Operators and Infrastructure providers.	20	0	0	0	0	**20**
20/25-HO02	11-Feb-20	HfH and Council Housing Programme- funding for Carbon Management team time	The Carbon Management Team undertakes a significant amount of work for Homes for Haringey and the Council housing delivery team. This proposal would make provision for the Carbon Management Team to recharge the Housing Revenue Account for this work. This work is undertaken by staff funded through general fund revenue budgets, and as such an equivalent saving can be made to the general fund revenue budget through recharge from the HRA.	40	0	0	0	0	**40**
Total: Economy				**830**	**120**	**130**	**120**	**0**	**1,200**
Housing									
PL1	43508	Additional HMO Licensing Scheme for HMO	Extend the current Additional Licensing scheme for HMOs not governed by Mandatory Licensing and introduce a Selective Licensing scheme to 20% of its geographical area for all other private sector dwellings covered by the Housing Act 2004. All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants.	400	0	0	0	0	**400**
HO1	12-Feb-19	Temporary accommodation reduction plan	Reduce TA costs, as detailed in the TA Reduction Plan. Proposals include initiatives to prevent homelessness, improve economic position of those in TA, and help support those in TA to move on. Revenue costs covered by the Flexible Homelessness Support Grant. Plan also includes proposals to increase supply of low cost TA through new purchase, repair and management joint venture partnership, and capital investment in new Community Benefit Society. Please note that due to the additional costs incurred due to unforeseen works at BWF, it may not be possible to meet the projected savings.	708	573	0	0	0	**1281**

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	Total £'000
20/25-HO01	11-Feb-20	Transferring PSLs to the CBS	Private Sector Leasing properties are leased by the Council from private landlords for between one and five years with a guaranteed rent for the term of the lease. Leases are mainly based on 90% of the 2011 LHA plus a £40 a week management fee (the latter being a transfer from FHSG). The CBS has been established to lease properties purchased by the Council to use them as TA or to discharge homelessness. Unlike the Council, the CBS can charge the current (2019) Local Housing Allowance (LHA) for the area the property is located in. Therefore moving these leases could mean total additonal rental income of £1.19m if all leases were transferred. This would require, in each case, the landlords agreement to do so and additonal incentives may be required. A reduction in savings of 25% has thus been included to account for this and additonal costs	68	136	136	136	136	**612**
Total: Housing				**1,176**	**709**	**136**	**136**	**136**	**2,293**