

NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 20th January, 2022, 7.00 pm - Woodside Room - George Meehan House, 294 High Road, N22 8JZ (watch the live meeting click [Here or](#) , watch the recording [here](#))

Members: Councillors Khaled Moyeed (Chair), Pippa Connor (Vice-Chair), Dana Carlin, Makbule Gunes and Matt White

Co-optees/Non Voting Members: Yvonne Denny (Co-opted Member - Church Representative (CofE)), Lourdes Keever (Co-opted Member - Church Representative (Catholic)), KanuPriya (Parent Governor representative) and Jakhu (Parent Governor representative)

Quorum: 3

1. FILMING AT MEETINGS

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

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES FOR ABSENCE

3. URGENT BUSINESS

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

4. DECLARATIONS OF INTEREST

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

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

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

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

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

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

6. MINUTES (PAGES 1 - 14)

To approve the minutes of the meeting held on the 29th of November 2021.

7. MINUTES OF SCRUTINY PANEL MEETINGS (PAGES 15 - 50)

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

Adults and Health Scrutiny Panel 15 November 2021
Children and Young People's Scrutiny Panel 18th November 2021
Environment and Community Safety Scrutiny Panel 11th November 2021
Housing and Regeneration Scrutiny Panel 4th of November 2021

8. SCRUTINY OF THE 2022/23 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2022/23-2026/27) (PAGES 51 - 146)

9. TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23 (PAGES 147 - 172)

- 10. QUARTER 2 BUDGET UPDATE (PAGES 173 - 222)**
- 11. NEW ITEMS OF URGENT BUSINESS**
- 12. WORK PROGRAMME UPDATE (PAGES 223 - 250)**
- 13. FUTURE MEETINGS**

10th March 2022

Philip Slawther, Principal Committee Co-ordinator
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Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Wednesday, 12 January 2022

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MINUTES OF MEETING Overview and Scrutiny Committee HELD ON Monday, 29th November, 2021, 7pm.

PRESENT:

Councillors: Khaled Moyeed (Chair), Pippa Connor (Vice-Chair) and Dana Carlin

ALSO ATTENDING VIRTUALLY: Cllr Gunes, Yvonne Denny, Lourdes Keever, Anita Jakhu, Kanupriya Juhunhunwala.

20. FILMING AT MEETINGS

The Chair referred to item 1, on the agenda and members noted the information about filming at meetings.

21. APOLOGIES FOR ABSENCE

Councillor Gunes could not be present 'in person' and attended the meeting virtually.

22. URGENT BUSINESS

The Chair formally accepted the High Road West Scrutiny Report at item 12.2 as a late item of business. This was late due to the need to consult on factual accuracies in the report and respond to comments.

23. DECLARATIONS OF INTEREST

Cllr White declared a personal and prejudicial interest in item 5 and 12.2 as he was a voting member of Cabinet when decisions had been taken in March 2021 on the High Road West Scheme.

24. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

Cllr White left the meeting room, following his declaration of a personal and prejudicial interest.

The Chair had received a deputation in relation to item 12.2 - High Road West Scrutiny Review and invited Paul Burnham to put forward his representations.

Michael Hodges and Florence Allaway accompanied Mr Burnham.

The deputation spoke against the High Road West Scheme as a whole and highlighted the recent Lendlease planning application which, in their view, showed that the whole scheme was unviable and produced only half the rate of profit that

Lendlease needed to take forward the rest of the scheme as set out in previous Cabinet reports.

In the deputation's view the recent Planning application indicated that the Council would not be able to offer the single move to most residents as promised in the earlier Cabinet reports and voted on. There had been 500 Council homes promised but 300 would not be ready until 2032 and, in the view of the deputation, would mean that residents would spend longer in temporary accommodation.

Mr Burnham contended that 70% of the new homes would be offered on the open market with only 30% available on shared ownership, which was less affordable for local residents and meant less access to housing by BAME residents. Therefore, in the deputations view, the development using the £90m of GLA money would end up supporting non-Council homes and would also drive up the value of homes and rents in the area and increase in retail costs.

The deputation continued to outline their concerns on the conduct of the Love Lane Ballot, including:

- That Council officers had targeted contact with residents that were vulnerable in respect of their uncertainty on a yes or no vote for demolition.
- There was a significant number of officer contacts with Love Lane residents to ensure completion of the ballot responses.
- Concerns raised that there had been collection of ballots by officers, which the ballot registration company had advised against but had still been taken forward on 4 occasions.
- A statement read out from a resident advising repeated phone calls from an officer and door being knocked on several times. The Committee heard from the deputation that this resident had indicated that they were uncertain and did not understand the choice being given. The resident had then received follow up calls, and a visit to their home. The resident then decided their vote and was helped to complete this online. In the deputation's view, this statement was enough information to warrant a review of the conduct of the ballot process, before any further steps on the demolition were taken.

In response to questions from the Committee, the following responses were provided by the deputation party:

- The deputation contended that viability was a complex calculation and there should be a sensitivity analysis considering unexpected economic factors that could risk the scheme being repackaged in the future to the detriment of resident expectation.
- It was important to establish what had happened in the conduct of the vote and then determine the validity of the ballot outcome.

- A need for an independent review by an independent body, without an interest, who was not committed to the Council, to the GLA, to the deputation party, and prepared to independently take evidence. This body would need to consider:
 - the dynamics of the property owner /tenant relationship and the power position, taking account that 75% of the tenants in the ballot were non-secure tenants,
 - facilitating open evidence sessions,
 - providing the mechanism to get facts and information on the scheme before demolition of the estate,
 - consider what good practice is and what was not good practice to inform future ballots,
 - could also involve scrutiny contributions to the review.

- The deputation felt that the Council were being guided by the GLA deadlines and access to the GLA funding, and there was a need to pause and consider the ballot issue and examine concerns.

- There were further doubts from the deputation about Civica undertaking the independent review as it was no longer part of the electoral reform society.

- The deputation contended that the recent Lendlease Planning application was not consistent with the basis of the ballot. Therefore, concerns about the ballot would need to be responded to by the Council, at this stage before the scheme developed as this issue could not be rectified in the future.

- Considering the impact of what a no vote outcome would have meant which was temporary tenants on Love Lane being added to the Council Housing waiting list, and likely waiting far longer for permanent accommodation, the deputation's position was:
 - That the need for providing secure tenancies to the Love Lane residents remained an issue.
 - There would be residents living on the Love Lane Estate that pay rent and Council tax but will not have security if a secure tenancy.
 - Offering secure tenancies to the Love Lane residents was a positive thing that the Council should do - there could be a local allocations policy as a way forward?
 - This was ultimately an issue for the resident to decide in the ballot.
 - There was still a need to consider the legacy of the ballot outcome on Love Lane.

- Responding to a Committee question on whether the deputation held any compelling evidence that the ballot process was not properly run, given 70% of residents were in favour of demolition, the deputation had evidence and they wanted this considered as part of the independent review process. The deputation acknowledged that they were not a neutral body and there was a need for another body to come in and consider this information and take statements.

- The deputation considered that they had enough evidence to suggest that this was needed and referred to the information considered by the Housing and Regeneration Scrutiny Panel which noted that four postal ballots had been handled. The deputation believed that there was more than this number handled with both visits to homes and help provided to residents to use their phones to vote.
- There was acknowledgement that the Council had not run a ballot process before and the current situation indicated that the ballot process needed a review. The deputation felt that the Council should be setting the highest standards, given this was a policy taken forward by the Mayor of London in response to the local Labour party motion which was agreed by the Labour party conference.
- The deputation party had spoken with four tenants who had advised that they had their ballot paper taken away by officers. Another tenant who was voting no, had had their door knocked on 6 times and was called 7 times, and answered once. Officers said that they could come round and collect his ballot paper as they could see he had not voted.
- The deputation party respondent advised that she had seen officers knocking on doors in multiple properties and another no voter, who was blind, was also offered to take his ballot paper but the offer was not accepted. She had spoken with another temporary tenant who was happy with her flat and would prefer a permanent tenancy and did not want her block to be knocked down. She had voted yes, as this would lead to a permanent tenancy.
- A deputation party spokesperson, spoke of her contact with vulnerable people on the estate through their disability and through their circumstances who did not know the ballot was taking place. There were language barriers and she spoke to residents where English was not the first language. They spoke Portuguese, Turkish, Kurdish and Bengali and were not fully aware of the process.
- The deputation party spoke about the poor conditions of the estate, where there were areas of drug use, maintenance issues and it was felt that there was a narrative being provided that if residents voted for the demolition, this would change their situation.

The deputation was thanked for their views, independent review request was noted, and this Committee could not take this decision and would be made by the Executive[Cabinet] and the Committee would communicate this on their behalf.

25. SCRUTINY REVIEWS

High Road West Scrutiny Review

CLlr White remained absent for this item.

The Committee agreed to vary the agenda and consider the Scrutiny Review on High Road West after the deputation.

The Chair set out the 13 recommendations of the review, outlining that the Committee had not heard direct evidence on issues concerning the conduct of the Love Lane Ballot but were putting forward the recommendation for a lesson-learned review with particular focus on the experience of residents to inform any future ballot.

The Chair emphasised that this was the very first estate ballot conducted in Haringey and it was particularly important that due importance was given to the allegations and representations received on this matter.

Councillor Connor asked if recommendation 2 concerning the ballot could be strengthened to put forward an independent review. In response, the Deputy Monitoring officer advised that when compiling reviews there was a need to consider evidence from all parties. Although, the Committee had heard the representations of the deputation, the Committee had not had the benefit of hearing from the officers involved with the process and this would be needed when putting forward recommendations to any review and advised against this.

The Chair proposed, as a way forward, that the recommendation could still go forward as a separate matter referred from the Committee to the Executive, having heard from the deputation. The Committee agreed this.

Councillor Hare raised the following points, which did not affect the recommendations.

- Suggested that the Chair's forward could note the length of the review, membership changes and need to complete evidence sessions by August 2021.
- On Recommendation point 2, he explained that evidence provided was not a Council officer but one of Capita's staff carrying a ballot bag.
- On Recommendation 11, suggested that the first bullet point should not just be the price of purchasing similar premises but suggested should say *price of purchasing similar premises on similar freehold or leasehold basis* as this was a key point made by the Peacock business estate who also highlighted that some business premises included residential accommodation,
- Suggested adding some wording to recognise the high level of difficulties in business planning, investing and financing created by uncertainties, and in future, to engage with businesses that may be affected fully and at the earliest stage of considering regeneration schemes to limit the additional disruption caused by uncertainties.

- On Recommendation 13 and taking this forward, to fully cost the value (economic, social, including indirect) of the businesses as part of the public engagement and analysis.
- In the report, at 6.4, the impact on businesses of the change from the original Arup master plan suggested should be described. Option 1 was supported by the businesses because the Peacock Estate was retained and the change was significant for the Peacock business estate.

The Committee noted these points and the Chair highlighted the above points raised were already captured in the main body of the report.

Taking account of the concerns expressed on: the viability of the scheme, Council houses being built in the last stage of the scheme, and the current 6.6% profit margin, the Committee asked the Deputy Monitoring officer if there was a penalty clause, in the homes were not built. The Deputy Monitoring officer agreed to speak to legal colleagues and respond to this point.

Following a vote of members of the Committee present in the room, [Cllr Moyeed, Cllr Connor, Cllr Carlin] the High Road West Scrutiny Review and recommendations was agreed and would go forward to the January meeting of Cabinet for a response.

26. MINUTES

Councillor White returned to the meeting.

There were two outstanding actions concerning the budget which would be taken forward as part of the scrutiny budget process.

RESOLVED

To approve the minutes of the meeting held on the 7th of October 2021.

27. MINUTES OF SCRUTINY PANEL MEETINGS

Cllr Connor highlighted that the Adults and Health Panel were looking at how the Irish Centre group would be working alongside the Grace organisation.

Cllr Gunes added that the Children and Young People's Scrutiny Panel were in the process of evidence gathering for the Child Poverty Scrutiny review, for completion by March 2022.

The co-opted member Lourdes Keever was concerned to hear about the issues on funding and support raised by the Irish Centre at the recent Full Council meeting highlighted the need to ensure that co-production activities picked up these issues.

RESOLVED

To note the minutes of Scrutiny Panel meetings as set out at pages 9 to 50 of the agenda pack.

28. JOINT WORKING WITH AND SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR (VCS)

Geoffrey Ocen , Chief Executive of the Bridge Renewal Trust and Poppy Thomas, VCS Co-ordinator attended online, and provided a presentation containing an update on how the Council works with the Voluntary and Community Sector. They were responding to a request from the Committee for information on:

- How the Council works with the local voluntary/community sector, is strengthening their capacity and working with them to attract external investment in the borough;
- How the Council is involving and supporting voluntary organisations to bid for services.

The Committee noted that the Bridge Renewal Trust were commissioned in 2016 to work with the Council as the voluntary sector strategic partner to essentially support and build the capacity of the voluntary sector. The aim was to work closely together with the Council to deliver support services with The Bridge Renewal Trust specific aim of developing the capacity of the VSC .

The Committee continued to consider a presentation on the projects that the: Council, The Bridge Renewal Trust and Voluntary groups have been working on together. In particular noting :

- The Council based voluntary sector team was established since summer 2020, to grow further capacity and provide direct support, providing workshops and training and building relationships.
- The Team were providing network, facilitating relationships, and resources,
- The Council and Bridge Renewal Trust , working together was not just about bringing more funding to the sector but also bringing people together in the voluntary sector and working together to address the common underlying issues affecting communities.
- The Bridge Renewal Trust were providing information through their website on issues affecting the voluntary sector.
- The Bridge Renewal Trust were ensuring the sector was resourced effectively and working together as collaboratively as possible.
- The sector was provided information on core sector funding and the understanding of the funding available related to Covid project funding and available resource costs.
- Making sure that the voluntary sector can access the available funding support.
- Working with the sector to help them attract external funding support
- Working on health inequalities and ensuring involvement of voluntary sector in co – production.

Responding to the presentation, the Committee sought clarification on the outcomes of the voluntary sector community group initiatives that had been funded by external funders and funded by the Council as part of the Covid support grant. It was understood that there were several initiatives that were coming forward, post pandemic, and it was queried how they would be assessed i.e. what had worked well and what had not? The Committee also needed further clarity about the composition of external funding and needed to understand what Council money or CCG money was.

In response , it was clarified that the external funding outlined was money coming into the voluntary sector, including Council money. It was further explained that £2.7m had come into the borough for key projects from key external funders – [this would not include Council funding].

It was recognised that an outcome to the Council Covid grant support was that it had helped keep voluntary sector organisations keep afloat, maintaining support to communities. Some organisations were small and would likely not have the capacity to measure and demonstrate outcomes. However, the Bridge Renewal Trust was reviewing the current state of the voluntary sector and would look at supporting smaller organisations demonstrate outcomes.

The Chief Executive of the Bridge Renewal Trust continued to respond on the projects that had been funded in the last year such as supporting more stronger safer communities, building mental health support, and supporting youth projects. The Director for Adults and Health added that the Council and Bridge Renewal Trust were increasingly looking at themes of food and digital networks where organisations could work together and it was felt that this was sustainable approach.

It was noted that the Council were aiming to support grass root organisations and this would be through specific themes. These would be developed through the new Voluntary Sector Community Strategy working strategically in terms of funding deployment.

In relation to the Council funded Covid support grant, there had been ongoing engagement on the outcome of this initiative and the Council had seen an impact in terms of supporting voluntary sector groups in Haringey become sustainable. Also, during the last year, the Voluntary Sector Team had seen an increase in external funders wanting to cover core infrastructure costs of voluntary organisations and this was a welcome shift.

Responding to a further follow up query from the Committee on providing an Indication of which grassroots organisations were getting funding and then considering outcomes , in terms of the funding input, there was a more detailed finance report that could be provided and sent to the Committee in writing.

29. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR CUSTOMER SERVICE, WELFARE AND THE PUBLIC REALM

Cllr Chandwani, The Cabinet Member for Customer Service, Welfare, and the Public Realm attended the meeting to respond to questions on the Customer Service and welfare part of her portfolio. The Cabinet Member provided a brief update to provide some context and background. The following key information was noted:

- The vision for Customer Services was for the Council to be able to serve people in the way they want and way that they need. This was through effective use of resources in a multi-faceted way, ensuring accessible services for those in need and everyone else served in a different but accessible way.
- Ensuring services connect strategically which also requires getting the atomisation right so the Council can help people most in need whilst ensuring that day to day contact and interaction is as efficient as possible.
- Customer services supports 17 Council services and does not answer phone calls for all Council services.

- There were varied and complex contacts with the Council ranging from planning enquiries, Council tax enquiries and parking fines .
- The logo of the Council was important for setting out the identity of the Council. There was a need to be clear on the brand and what this means to everyone.

There had been a lot of work over the last year to create new support structure including:

- The Haringey Here To Help [welfare scheme] which was one place to find information on welfare support.
- Haringey Support Fund – which residents can get information on access to the Discretionary Housing Payments policy and Council Tax Reduction Scheme
- Debt Partnership Board – This includes several partners and stakeholders who work together to support as much as possible the residents that are likely to face severe hardship.

Committee discussion included:

The new IT system for parking permits which was useful as accessible online and worked well for people that have basic IT literacy. It was acknowledged by the Committee that new systems will have discrepancies which need to be resolved once starting to be used. There was a question on how quickly these discrepancies can be resolved with the contractor when they become apparent. In response, the Cabinet Member outlined resources to provide basic services and the previous identified need to invest the money in IT element of Parking services. In taking this service forward online, there was a good baseline of information on demand for parking permits and on this basis, the service had done well. The service had worked on the basis on 20% of customers needing assistance but this figure currently stood at 35%. The services had identified simple issues to fix which would improve this figure. There was a frustration that limit on parking permits being issued and this issue as well as others was being managed through the Customer Services Programme board as this involved four services, under different directorates. Therefore, it was important to note that an identified issue with the system could belong to a different service area or provider. For example, the number of permits being issued would be an issue to resolve with Civica.

The Cabinet Member invited Councillors to forward her issues that were being experienced with the new Parking permit system and she would pass these to the Programme board to take these forward. It was recognised that potentially more issues could have been identified by more 'working in person' with a customer to track their customer journey but this was not possible over the year with the working from home requirements of the government and safety of staff. It was noted that , prior to the implementation of the parking system, staff were manually distributing permits and this also meant that customers were queuing up for parking permits and taking up time of customer services staff who could be helping more residents in greater need. Once these issues were resolved, this system was expected to be smooth running.

There was a question on support to residents that have had a cuts to their Universal Credit payment. In response, it was noted that there were large group of people, a

majority who were disabled residents, that did not receive the previous £20 increase and this was currently being challenged in a High Court case. The Cabinet Member underlined that the previously provided £20 increase was not a bonus, as badged by the government, but a necessary increase which should have been given to respond to inflation and previous year's standstill in increase of benefit. Noted that there were 41000 residents in Haringey claiming Universal Credit and each had lost £1000 over the year. It was noted that there were 17000 residents eligible for the Universal Credit earnings taper. The Cabinet Member advised that those residents eligible for an earnings taper payment would have likely only received £2 to £3 a week. She advised that the Council were always clear that the most damaging effect, going forward in the coming years for residents would be the cost of living. In readiness, the Council had instigated the Haringey Support Fund where residents can apply for one off emergencies. So far since this scheme had been in place from 1st of April, there have been 800 applications. The applications had been for help to purchase necessary white goods and buying cooker to help with daily living requirements. The Council were exploring how to ensure that young parents are aware of this scheme and can apply to the Council for support. Noted that there had been requests for help with fuel costs and food costs.

The Cabinet Member outlined that the Council Tax Reduction Scheme improvements had allowed 6000 families to access the scheme. The proposed updated scheme was currently being consulted on. Improvements aimed for were making it an automatic right for a resident on the right level of universal credit to be exempt from Council tax payment requirements. This was in line with the priority of making the Council tax scheme more accessible . The Council also now have information from DWP where a resident is exempt from Council tax and are applying for this rather than awaiting the resident complete the application form.

Further information was provided on the Discretionary Housing Payment scheme[DHP] which helps people with rent arrears or helps them to move to a cheaper rented property. There were now a financial support team of 4 officers who will support the residents accessing this scheme and may have debt problems. They will help with relevant applications for benefits that are needed.

The Committee noted that there are two benefit maximisation officers that residents can access and talk through what they are eligible for. The Council was not relying on marketing and looking closely and policy and practice data , to see the income of households and completing targeted work with people that we find on the data base to ensure that they know and understand the benefits to apply for or help them do this.

There was a question about the 'Digital Together' programme and including voluntary groups in this data sharing work in the community. In response, it was noted that there was a need to explore and discuss with officers the wider reach of this programme. There was also a need to understand and investigate partners use of technology or interface with this.

In response to a question on the Debt Management team working with law centres in the area and getting financial assistance, the Debt Partnership Board included Haringey Law Centre, Citizen's Advice Bureau, and Housing Associations. The aim of

this Board was: ensuring partners and stakeholders work together , are not working in silos but in a team mentality, acting as critical friends, with the overall aim of protecting residents and building resilience. Board Members were accepting working together to meets the needs of residents.

There was a question about directing money raised from CPZ's for street safety. In response noted that there were several ring- fenced funding pots for highways and road safety. The funding for road safety and CPZ's was from different budgets. The Committee noted that the parking income was protected by the Road Traffic Act 1974 and could only be used for infrastructure. Noted that the first tier of priority of spend was concessionary travel and most of the parking income funded Freedom passes with the Council paying for any shortfall.

The Cabinet Member continued to respond outlining that the Mayor of London has a Vision Zero , which will mean a zero-accident rate in London by 2040. The Council had received some LIP money from TfL for this. Noted that TfL had structured the funding and would only give money for serious accidents or death caused by an accident. The Cabinet Member spoke about a road in her ward, Belmont road, which had 17 near misses and had had road humps added. She was not content with the funding situation and had proposed a £8m capital bid for this area be included in the budget for consideration at the full Council in March. In the meantime, the Council' Transport engineers were compiling information on accident hotspots as where an accident takes place is loaded to the Met database which is accessed by the Council. Consideration would also be given to specific areas that needed to be as safe as possible such as roads near schools, doctors' surgeries and where there was a high footfall. Also including roads that need to be safe for walking and cycling too.

The Cabinet Member for Customer Services, Welfare and Public Realm was thanked for her attendance and information shared.

30. COMPLAINTS ANNUAL REPORT

The Committee considered this annual report which summarised Member Enquiries, complaints, Ombudsman caseload and FOI activity alongside performance from the 1 April 2020 to 31 March 2021.

The following information was noted in the discussion of the report.

The Council had the most complaints to be upheld by the Local Government Ombudsman in comparison to neighbouring boroughs. Understanding was sought on the potential reasons for this and queries about whether this was a failure to properly address the complaint, initially, leading to an escalation to the Local Government Ombudsman. Understanding was further sought on the actions being taken to improve this situation.

In response, The Customer Experience Manager outlined the experience he was bringing to the organisation , since his recent move to the Council. This included: the complaints team now looking at the initial response ahead of the deadline and so that

they can liaise with the staff and offer a different point of view, providing training to staff responding to complaints, on the basics and responses .

The Customer Experience Manager had reviewed some initial responses to complaints and in some responses, officers were using very technical jargon and not responding to the heart of the matter in the complaint and was tailoring his advice to respond to this need. He was also considering stage 2 complaints and noted that some were not treating the individual's concern and would provide guidance on this.

The Committee noted that the Customer Experience Manager was encouraging officers to use Complaints team as an advisory service. He was also encouraging peer reading so some stage one responses could be more accurate, addressing the crux of the complaint. At stage two complaints he was asking officers to speak more to the customer, pick up the phone and clarify the issues and consider a resolution over the phone.

The Customer Experience Manager was reaching out to all directorates to discuss the number of complaints that they were receiving and helping to identify any trends. He expressed that complaints which were not upheld provided valuable information for the Council on improving the customer experience where needed.

Further improvements outlined, were a new corporate email inbox for Local Government Ombudsman correspondence, ensuring the Council will respond on time to requests for information.

With regards to senior officer oversight of complaint responses, there were 6 investigation officers for level 2 complaints and they liaised heavily with senior team leaders of the services being complained about.

The Committee referred to the public interest report at page 72 and questioned if training of staff would have the required impact and whether an independent review was needed. In response, the Head of Customer Experience and Operations advised that previous training was adhoc and rudimentary. The current training was targeting every responding officer in the Council ,regardless of their level of seniority with a real emphasis on the quality and a resolution. The customer experience team would continue to monitor responses and raise with directors any issues also monitoring lessons learned from ombudsman reviews. It was hoped that the new interventions would show positive outcomes.

There were also comments made on tackling complaints that were spanning a longer period for response and the Cabinet Member for Customer services, Welfare and Public realm briefly remarked that the Complaints team were setting out how they are trying to improve the process for complaints but ultimately the Council needed to be collectively striving to reach a situation where there were no complaints. She highlighted that questions should be directed on how to deliver good services to avoid complaints. This needed to be a collective whole Council approach and was not reliant on one team in charge of processing complaints. The direction of questions should be to the service heads of the 27 complaints that have reached the Local Government ombudsman stage and actions put in place to avoid the situation occurring. She

recommended that the focus should not be on the admin of complaints but focus on service quality.

Chair took on board the comments and agreed thinking creatively about consideration of the report in future years to ensure focus on this.

RESOLVED

To note the report.

31. PERFORMANCE UPDATE - Q2

The Overview and Scrutiny Committee noted the high-level progress made against the delivery of the strategic priorities and targets in the Borough Plan as at the end of September 2021 detailed in the report.

Agreed that any further queries on the performance information be sent to the Democratic Services and Scrutiny Manager for distribution to services for a response.

32. SCRUTINY REVIEW - HARINGEY FAMILY OF SCHOOLS

The Committee noted that the Scrutiny review of the Haringey Family of Schools considered the relationship between the school and academies and sought approval to the Scrutiny Review and the recommendations set out.

RESOLVED

To approve the report and its recommendations and that it be submitted to Cabinet for response.

33. WORK PROGRAMME UPDATE

RESOLVED

1. To note the current work programmes for the main Committee and Scrutiny Panels set out at Appendix A, noting that consideration will be given to moving the items listed for the budget scrutiny meetings in January.
2. To agree the Committee and Panels' proposed Scrutiny Review Projects set out at Appendix B, C ,D and E and the submission timescales required in order to finish the reviews by the end of the municipal year.

34. NEW ITEMS OF URGENT BUSINESS

None

35. FUTURE MEETINGS

13th Jan 2022

20th Jan 2022
10th March 2022

CHAIR: Councillor Khaled Moyeed

Signed by Chair

Date

**MINUTES OF THE MEETING OF THE ADULTS & HEALTH
SCRUTINY PANEL HELD ON MONDAY 15th NOVEMBER 2021,
6.30-8:55pm**

PRESENT:

Councillors: Pippa Connor (Chair), Helena Kania, Mark Blake, Gideon Bull, Eldridge Culverwell, Mahir Demir and Sheila Peacock.

Co-opted Members: Helena Kania, Ali Amasyali.

23. 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'.

24. APOLOGIES FOR ABSENCE

Apologies for lateness were received from Cllr Gideon Bull who joined the meeting at 7:10pm.

25. ITEMS OF URGENT BUSINESS

None.

26. DECLARATIONS OF INTEREST

Cllr Pippa Connor declared an interest by virtue of her membership of the Royal College of Nursing.

Cllr Pippa Connor declared an interest by virtue of her sister working as a GP in Tottenham.

Cllr Gideon Bull declared that he was currently employed by NHS England.

27. DEPUTATIONS/PETITIONS/ PRESENTATIONS/ QUESTIONS

None.

28. APPOINTMENT OF NON VOTING CO-OPTED MEMBER

The Chair introduced Ali Amasyali and set out the recommendation in the report that he be appointed as a non-voting co-opted Member of the Panel.

RESOLVED - The Ali Amasyali be appointed as a non-voting co-opted Member of the Panel.

RESOLVED – That the non-voting co-opted Members of the Panel for the remainder of the 2021/22 Municipal Year be confirmed as Helena Kania and Ali Amasyali.

29. MINUTES

Referring to the item on the monitoring of recommendations from the day opportunities scrutiny review, Cllr Connor noted that support had been expressed for information being provided to young people about transitions between services and suggested that this should be noted as an action point with information received from officers on how this is being done. **(ACTION)**

Cllr Connor noted that a written update had been received about the former site of the Irish Centre and suggested that more detail was required, specifically on whether any decisions had been made about the relocation of the Grace Centre. **(ACTION)**

RESOLVED – That the minutes of the meeting held on 9th September 2021 be approved as an accurate record.

30. HARINGEY ADULT SAFEGUARDING BOARD - ANNUAL REPORT 2020/21

Dr Adi Cooper, Independent Chair of the Haringey Adult Safeguarding Board (HSAB), introduced the Board's Annual Report for 2020/21 which she explained was one of the Board statutory duties. Dr Cooper said that the Board continued to meet under the unprecedented conditions of Covid restrictions, as did partner agencies. A Safeguarding Covid-19 Task & Finish Subgroup had been set up to monitor responses to the changing conditions on safeguarding caused by the Covid restrictions.

Other groups had varying degrees of success in terms of maintaining their core duties and responsibilities but, overall, the core duties and responsibilities of the Board were maintained. The data section on pages 17 to 22 of the report illustrated what was going on and through the Covid-19 Task & Finish Subgroup it was possible to respond quickly to the changes in what the data showed was happening.

The work of partner agencies on safeguarding was summarised from page 23 of the report and the Appendix from page 39 of the report set out the actions relating to the HSAB Strategic Plan.

A section on the Safeguarding Adults Review Subgroup started from page 12 of the report. There had been two Safeguarding Adults Reviews undertaken in 2020/21, one of which related to a person with mental health needs while the second was a thematic review on homelessness following the deaths of three homeless people in the borough. There had been a robust response to this with improvements on homelessness from partner agencies including the Council.

For the year ahead there was concern about the long-term impact of Covid on safeguarding, including on people's mental health and possible increases in the inter-generational incidents of domestic abuse, and so the Board would continue to monitor these issues.

Dr Cooper then responded to questions from the Panel:

- Asked by Cllr Demir about the new Haringey Multi-Agency Solutions Panel referred to on page 13 of the report, Dr Cooper said that the approach was known as creative solutions and that when the Panel comes together it should try to find answers rather than hand problems over to other agencies.
- Asked by Cllr Blake about the increased number of safeguarding concerns received, Dr Cooper said that historically this has been welcome in the sense of increased awareness of safeguarding. However, in the last year there had been a national trend reflecting not just increased awareness but also increasing pressures caused by Covid on safeguarding risks. She was therefore concerned about this being a less than positive trend, though it was too soon to judge that. The national picture suggested cases being reported later and with more complexities as a consequence of Covid.
- Cllr Blake highlighted challenges about what institutions were doing on safeguarding following the concerns about the Metropolitan Police over the Sarah Everard case. Dr Cooper said that the issues for the Police had not had a knock-on effect on partner agencies in terms of safeguarding, though the legislation and guidance for agencies make clear that the right systems and processes must be in place to ensure that staff are appropriately vetted and that issues are properly investigated when they arise. Beverley Tarka, Director for Adults & Health, added that the Council had stringent vetting procedures when recruiting anyone working with children or vulnerable adults. Although the Council had not experienced any issues comparable with that of the Sarah Everard case, it was also not complacent in ensuring that robust procedures were in place. Cllr Blake commented that reflection on corporate culture across all agencies was also required as well as robust procedures. Asked by Cllr Connor about the strategic outcomes for the VAWG work, Dr Cooper said that there was VAWG representation at the Board and that there were strategic links where necessary, but that the outcomes covered in the VAWG annual report were not typically replicated in the HSAB annual report. It was agreed

that the most recent VAWG annual report would be circulated to the Panel.

(ACTION)

- Helena Kania asked about financial safeguarding in the context of the recent surge in digital scams. Dr Cooper said that this had been covered early on in the task and finish group as it was an issue raised by partners. She acknowledged the surge in scams, including Covid-related scams, and said that awareness of this was variable. There hadn't been a significant increase in referrals in cases of financial abuse but that didn't necessarily mean that it wasn't happening. The banking sector had been much more proactive recently in prompting people to be vigilant about scams which was helpful. Jeni Plummer, AD for Adult Social Services, added that the Council had been doing some safeguarding work on this with the Police, working with communities to improve awareness of how to identify scams. The CCG was working on a digital inclusion project which the Council would be linking into. Connected Communities had also been working with vulnerable people in the community in this area. Helena Kania requested that further information be provided on how this would be monitored. **(ACTION)**
- Cllr Connor noted that, according to page 20 of the report, abuses in supported living, sheltered or day centre had increased by 15% and asked for clarification on the CQC's powers to make unannounced visits. Dr Cooper said that some work had been carried out in response to the increase with supported living colleagues to ensure that they were responding appropriately to the issues arising from the lockdown. She had been reassured that the appropriate support and intervention had taken place. Dr Cooper and Charlotte Pomery, AD for Commissioning, confirmed that supported housing is not a regulated service and so unannounced visits to sheltered housing schemes were not carried out. However, there were set processes when dealing with any concerns raised about any care provider and the Council worked its Quality Assurance Team and with the CQC to monitor intelligence on what was happening on the ground.
- Cllr Connor asked for an update on the response to the 'Living Through Lockdown' report referred to under P1 on page 43 of the report. Charlotte Pomery said that a meeting of the working group was shortly expected to work through the recommendations. Helena Kania, a member of the Joint Partnership Board, said that she expected further information to be available to the Panel early next year.
- Referring to P6 on page 47 of the report, which covered the safeguarding approach for young people transitioning to adulthood, Cllr Blake asked about the role of the criminal justice system. Dr Cooper commented that the interface between Children's and Adult services on safeguarding was not an easy one to navigate because the legal policies and the service delivery frameworks were not particularly complementary. This was why this particular piece of work had been undertaken. The focus had largely been on young people with care and

support needs, but it was certainly worth raising the challenge of building the criminal justice system into this though there were not easy solutions. A pilot project was ongoing by MOPAC (The Mayor's Office for Policing And Crime) in Newham on improving the interface between social care safeguarding needs and how the criminal justice system supports young adults. She added that the Met Police, since moving towards a joint unit with Enfield had been less engaged with the HSAB than they had been previously and this has affected ongoing representation and engagement. Previous representatives on the HSAB had made some good interventions around the safeguarding risks for young people in the criminal justice system. Cllr Blake suggested a joint letter between Cllr Connor and Dr Cooper to the Borough Commander asking that this level of engagement with the HSAB be addressed. Cllr das Neves, Cabinet Member for Health, Social Care and Well-being informed the Panel that she had recently raised this matter with the Leader of the Council following a conversation with Dr Cooper. The matter had subsequently been raised with the Borough Commander. Cllr Connor commented that, given that this matter had already been raised with the Borough Commander, she would be happy to raise any other more specific points on behalf of the Panel and suggested that a conversation on this could take place outside of the meeting. **(ACTION)**

- Cllr Bull asked the Cabinet Member what was being done from a policy perspective to ensure a smooth transition between Children's services and Adult services. Cllr das Neves responded that she met with Cllr Zena Brabazon, Cabinet Member for Early Years, Children and Families, on a weekly basis to discuss the crossover between their portfolios. She added that the next People Board would shortly be discussing how to improve support for transitions and so it would be possible to update the Panel on that work at a later date. **(ACTION)**
- Cllr Connor asked about the recent report on the CQC/Ofsted joint inspection which pointed out that there were a few areas that needed extra support. This had included the lack of partnership working and poor communication including co-production with parents, children and young people through the local offer. While acknowledging that the CQC/Ofsted report was published after the period covered by the HSAB annual report, she noted that the concerns about the transition element of this appeared had not been picked up by the HSAB in its report. Dr Cooper responded that she wouldn't have expected a SEND report to have come before the HSAB. However, she would expect that any recommendations from an inspection that are relevant to people when they turn 18 would be picked up by the P6 workstream discussed earlier in the meeting and through work such as Preparing for Adulthood which was reported to the joint meetings of the Children's Safeguarding Board and Adult Safeguarding Boards. Cllr Connor commented that she would have greater confidence that deficiencies were being addressed if this was explained in the Board's annual report. Beverley Tarka noted that the HSAB annual report was looking back over the previous year. She added that there would be a collective response to

the CQC/Ofsted report and she would be happy to update the Panel about this at a later date. **(ACTION)** Charlotte Pomery noted that the fact that the issue was included in the HSAB Strategic Plan demonstrated that this had been identified as an area for priority work.

As a final comment, Dr Adi Cooper, noted that there was still a lot of work to do to respond to changing safeguarding needs following the pandemic. She also commended the recent work on homelessness and safeguarding in Haringey which had been an exemplar in terms of practice in this area.

31. ADULT CARERS' STRATEGY 2020-2023

Charlotte Pomery, Assistant Director for Commissioning, introduced this item noting that the Council had recently been working with carers across the borough to co-develop the Adult Carers' Strategy which had been launched earlier in the year. The aim of the strategy was to identify better ways of identifying and supporting carers in the borough. While this may sound straightforward, there were many carers who did not identify themselves as carers. The launch of the strategy was described as Phase 1 while the creation of a Carers' Action Plan to deliver this was Phase 2. The Carers' Action Plan had been co-designed and work on delivering it had already started. This included five workstreams:

- Having a life of your own.
- Looking after your health and wellbeing.
- Managing your finances, benefits and debt.
- Your caring role.
- Your housing and managing at home.

An Equalities Review on support for carers in Haringey had been commissioned and carried out by Carers First. This had highlighted the importance of involving carers as experts, supporting them to maximise their income and to be able to take breaks from caring.

A carer from the working group then spoke to the Panel about her experience. She had recently been appointed as a co-chair of the Carers' Strategy Working Group and had done so because she wanted carers to have a voice and be effectively supported, including young adult carers and carers for those with mental health needs who were underrepresented. She told the Panel that she had been a young adult carer for the past 15 years looking after a family member in the borough with mental health and physical health needs and learning difficulties but had only been identified as a carer in the past year or so. Her caring responsibilities were wide ranging including first aid, practical, emotional and financial support and volunteering work. She explained that caring was difficult and takes a toll physically and emotionally and so it was essential that carers were supported. Because carers are experts by experience it was important that the Carers Strategy was co-produced and co-delivered in an integrated

approach at every level with carers. As co-chair she aimed to help lead towards substantial and effective change to improve carers' services and support carers that had previously slipped through the net. The Carers' Strategy Working Group, (formed of carers, the Council, the NHS and the voluntary and community sector) was presently engaging with stakeholders to ensure that the seventy actions were measurable and that the right people were working on them. Cllr Connor thanked her for the clear presentation and the huge caring responsibilities that she undertook on a daily basis, noting the significance of her only recently having been identified as a carer.

Cllr Bull welcomed the work in this area and emphasised the importance of supporting young people who were caring for their parents or other family members and of understanding that carers do not always understand what support they are entitled to. Charlotte Pomery noted that an event would be held at the Winkfield Centre on 23rd November about carers' rights working with Carers First to look at how to engage with carers who may not recognise that they are carers or may not be willing to come forward. Carers First had recently carried out a big piece of engagement work nationally with people in caring roles on how they see themselves so it would be useful to understand these findings and how it could affect the Council's outreach work. The Council had also been working with young carers to co-design a Young Carers Strategy which was nearly complete.

Ali Amasyali commented that the forms for carers could be very complicated and suggested that these could be simplified or supplemented with face-to-face or phone assessments. Cllr Demir agreed with this observation. Charlotte Pomery said that this was helpful feedback and that she would take back as it was important that this was not a barrier to people coming forward for help. **(ACTION)**

Ali Amasyali noted that he had been unaware of the consultation work on carers and asked how this had been communicated to carers in the borough. He also said that he was from the Turkish community and that many in this community and other communities saw caring for family members as their responsibility and would be unlikely to reach out for help. Charlotte Pomery responded that a piece of research had been conducted during the lockdown period through the Turkish and Kurdish network. It had also been agreed that a Somali network would be set up and others could follow to provide more insight into various local communities. Cllr das Neves added that the formal and informal networks that had been established were important in exchanging information, views and support. She said that the points made about identifying carers should also be shared with health partners, particularly at primary care level.

Helena Kania asked about co-production with carers and noted that there were a lot of different groups that represent people caring for a range of different needs. Charlotte Pomery responded that the carers' working group aimed to do this and agreed that

there was no one individual place to contact carers which was why a network-based approach was required. There were also other initiatives, such as the sending out of text messages from through GPs to the 6,000 people who had identified themselves as carers, but other suggestions on reaching people were always welcome. Cllr Demir observed that his experience of the Turkish-Kurdish community was that not everyone was connected to networks, but many did visit their GPs with their carers quite often and so this was a great opportunity to identify and register people as carers. Cllr Connor proposed that a recommendation be made from the Panel on better coordination with GP colleagues, including clarification on who would be championing this issue within GP practices. **(ACTION)** Charlotte Pomery noted that the Council had good relationships with the GP networks and progress was being made. She added that community champion models would be worth exploring in this area.

Asked by Cllr Connor about delays to housing adaptations and how carers could get help and support, Charlotte Pomery said that this was a complex area and that they worked with colleagues across the Council to make them aware of the challenges faced by carers. Beverley Tarka added that there were significant constraints in the pathway for adaptations including shortages of occupational therapists and surveyors and the supply of particular pieces of equipment. It was also important to improve the communications to make sure that people were aware at every stage when there were circumstances out of the Council's control. Cllr Connor proposed that the Panel recommend that a strategy be put in place for this communication to be improved. **(ACTION)** Cllr Blake added that quick and efficient adaptations should be a high priority as failure to do so led to worse health outcomes for residents and higher costs for the Council in the long term.

Cllr Peacock requested that the senior officers attend one of her monthly meetings with residents at Tottenham Green Leisure Centre, which included a number of carers, and asked for copies of strategy to be provided. It was agreed that this request would be followed up by email.

32. LOCALITY WORKING

Cllr Connor introduced this item, explaining that the Panel had recently visited the Northumberland Park Neighbourhood Resource Centre where there had been useful discussions about the locality working approach. The slides provided in the agenda pack were noted by the Panel and proceeded straight to questions.

Cllr Peacock requested that the local ward Councillors for Northumberland Park be more closely involved in this initiative. Charlotte Pomery noted that there had been some engagement events held but said that she was happy to engage further with the ward Councillors.

Cllr Connor asked about the safety of the external environment to the Neighbourhood Resource Centre given concerns about crime/anti-social behaviour which could put

some vulnerable clients off from attending. She also asked about the involvement of the local Police and whether any support for the initiative was being provided by Tottenham Hotspur Football Club which was close by. Charlotte Pomery emphasised that the initiative was a geographically based approach so wasn't just about the building. She added that the next stage was to work with the community, not just on the design of the building, but on what else they'd like to see in terms of partners. They were already working with the Regeneration Team on this because it was recognised that the wider environment would impact on the ability of staff and residents to engage in the work. There had also been early conversations with Tottenham Hotspur Football Club and the local voluntary and community sector on how they could be part of the wider offer.

Asked by Cllr Demir whether local organisations such as the Mental Health Trust or providers of adult education classes could use the space, Charlotte Pomery confirmed that this was the type of use that was envisaged and noted that Barnet Enfield & Haringey Mental Health Trust (BEH-MHT) was currently reorganising their community offer. Their staff could use local resources such as this which would be closer to users and build on integrated working alongside local authority staff. It was intended that the use of the building would have three strands:

- Enable and encourage integrated working.
- Offer a workspace hub for staff from the Council and other partners.
- Increase community use to support health and wellbeing outcomes.

Asked by Cllr Demir about the safeguarding of staff, Charlotte Pomery said that security measures were being built into the design of the building such as exits and alarms.

Asked by Cllr Blake what this approach would mean for young adults, including those in contact with the criminal justice system, Charlotte Pomery said the intention was that all ages would be able to participate in provision at the Neighbourhood Centre and that they were engaging with Early Help Service colleagues about the engagement of young adults.

In response to concerns from Ali Amasyali about difficulties in accessing the Neighbourhood Centre by public transport, particularly for wheelchair users, Charlotte Pomery said that there were public transport links into Northumberland Park and that the building itself would be fully wheelchair accessible. She also noted that the nature of the locality-based approach meant that people using the Centre would be local and so would not have to travel far. Cllr Connor suggested that a transport survey could be carried out, commenting that there would still be some travelling required and that if local buses were very busy then they could still be difficult for wheelchair users to access. Charlotte Pomery said that she would be happy to take this suggestion back of part of the development of the programme. **(ACTION)**

Asked by Cllr Connor about the involvement of the NHS and major local providers, Charlotte Pomery said that there had advanced conversations with both the North Middlesex and Whittington Hospitals, with the Whittington looking at a locality method of delivering community health services, as well as the engagement with BEH-MHT as previously discussed.

Cllr Connor summarised the recommendations of the Panel as:

- A review of public transport links to the Northumberland Park Neighbourhood Resource Centre.
- Early discussions on partnership working and funding for improvements in the surrounding area to the Neighbourhood Resource Centre including the Police, NHS partners, Tottenham Hotspur Football Club and the Council's Regeneration Team.

33. WORK PROGRAMME UPDATE

The Scrutiny Officer discussed possible dates with the Panel for forthcoming visits to Cranley Dene Court and Lowry House as part of the Scrutiny Review on health and well-being in sheltered housing. There would also be an evidence session with the CCG and BEH-MHT.

It was also noted that a pre-budget finance briefing for the Panel would be held on 1st December.

34. DATES OF FUTURE MEETINGS

- 16th December 2021
- 3rd March 2022

CHAIR: Councillor Pippa Connor

Signed by Chair

Date

MINUTES OF MEETING CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL HELD ON THURSDAY 18TH NOVEMBER 2021

PRESENT:

Councillors: Makbule Gunes (Chair), James Chiriyankandath, Josh Dixon, Sarah James and Tammy Palmer

Co-opted Members: Yvonne Denny and Lourdes Keever (Church representatives) and Anita Jakhu (Parent Governor representative)

25. FILMING AT MEETINGS

The Chair referred Members present to agenda item 1 in respect of filming at the meeting. Members noted the information contained therein.

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms Jhunjhunwala (parent governor representative).

27. ITEMS OF URGENT BUSINESS

None.

28. DECLARATIONS OF INTEREST

None.

29. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

The Panel received a deputation regarding the recent joint OFSTED/Care Quality Commission (CQC) area inspection of Special Educational Needs and Disability (SEND) services. Amanda Bernard spoke on behalf of the deputation. She stated that parents and carers wished to have their say on the response to the joint inspection. They were often asked what they co-production meant to them but they did not think the onus should just be on parent and carers to respond. They had always wanted to work jointly and in co-production with the Council. They felt that they had been heard but not listened to. Parents and carers met frequently with officers who were referred to as professionals but they were also professionals in caring for their children. Only seventy days had been allowed to prepare a plan to resolve long standing issues in response to the joint inspection. The adversarial culture that existed had come about in response to the manner in which parents and carers had been treated. Although there had been some advocates for them within the Council, they had proven to be ineffectual.

SEND covered a wide range of different children and young people but the outcomes of consultations were normally based only on the views of the people who had responded first on-line. Some parents and carers did not have access to the internet though and were therefore unable to respond. Education, Health and Care (EHC) plans covered a range of interdependent issues. Attention also needed to be given to what happened when young people transitioned to adult services.

The joint inspection had highlighted what parents and carers had been saying for a long time. In responding, it was important that parents and carers were represented on bodies such as scrutiny panels as they represented a significant group of people. The needs of the Council ought not to outweigh those of families of children and young people with SEND. Provision also needed to be made for those whose first language was not English. In addition, there needed to be some semblance of truth and reconciliation.

The Chair thanked the deputation for their contribution and highlighting the issues they felt needed addressing. She felt that it was important that parents and carers were listened and responded to appropriately.

In response to a question, Ms Bernard stated that co-production meant what it said. It was about parents and carers not being told what to do but working together with the Council. The time frame in which parents and carers were given to respond to consultations was important. A range of events had been arranged as part of the response to the joint inspection. Many parents and carers had been given little or no notice of these. A minimum of 21 days notice needed to be provided. It should be possible to engage with all the families on the SEND register and not just rely on on-line feedback. She felt that if comprehensive consultation could be undertaken on proposed CPZ schemes, including door-to-door engagement, it could also be used for SEND. Co-production needed to be accessible to all and not just those on the parent-carer forum. Co-production meant that parents and carers were informed of the relevant meetings rather than finding out about them by chance, as had been the case with the current meeting.

Panel Members noted that the Scrutiny Review on SEND that had been undertaken by the Panel in 2019 had covered many of the same issues that had been highlighted in the joint inspection. Co-production was a priority for the current Council administration but it needed to deliver.

In answer to another question, Ms Bernard stated that the report on SEND by Amaze had suggested that a new parent-carer forum be set up and this was currently being done. Information on its development had only been sent out digitally though and this had excluded some parents and carers. It was important that parents and carers had a seat at the table if co-production was to be meaningful. Young people also needed to be involved and meetings made more accessible.

In answer to a question regarding what could be done to make progress quickly, Ms Bernard stated that truth and reconciliation was needed. It was essential that parents and carers were listened to. In addition, telephone calls and e-mails needed to be answered.

Michele Simmons-Safo, another member of the deputation, stated that there had been the same issues for some considerable time and parents were frustrated by the lack of progress. These issues were communication, EHC plans and lack of trust. A lot of money had been spent on the Amaze report but its recommendations were not being fully adhered to. In particular, adequate notice needed to be provided for parents or carers to attend meetings.

In answer to a question regarding what effective co-production would look like, Ms Bernard stated that it would involve parents and carers being treated as equals, being listened to, getting the services that they required and being represented in all areas where decisions that directly affected them were taken.

Councillor Zena Brabazon, the Cabinet Member for Children, Education and Families, responded that she agreed with the sentiments that had been expressed and could understand why parents and carers were angry. Co-production required individuals to represent the whole. The new parent carer forum had recently been established and had met twice so far. She gave a commitment that she would attend all of its meetings and was happy to be held accountable. She agreed that there needed to be some sort of review that captured the learning from recent experiences but this could not merely look backward as there was a need to progress. She was happy to discuss the detail of how this could operate. She had made SEND her top priority on assuming the post of Cabinet Member earlier in the year. The parent carer forum was administered by the Bridge Renewal Trust and not the Council but she nevertheless agreed that adequate notice should be given for meetings. She agreed with the suggestion that there should be a co-opted Member of the Panel to represent SEND parent and carers. In addition, the local offer website could be used to publicise future Panel meetings. She felt that the service was on an upward curve. The Ofsted report had been fair in its conclusions and she fully accepted these. Relationships with parents and carers were key to how the service should operate and the service was fully committed to developing these. She would answer all e-mails that she was sent. However, she received a lot of e-mails and had a big workload so could not always reply by return. Her role had given her the opportunity to visit a number of schools and witness some of the excellent inclusive practice that took place, some of which had been noted by Ofsted. There had been problems in the past, such as failures in communication and systems that did not work well. Things were improving though and she was determined to bring about change.

Ms Bernard stated that parents and carers had previously been given commitments there would be improvements but these had not materialised. Although the parent carer forum had technically begun to operate, much of what was required for it to function had not been established so far and relationships had yet to be developed fully. The Bridge Renewal Trust was not a SEND specific organisation and therefore needed to learn from parents and carers. Smart provision was needed in order to deliver smart outcomes.

The Panel was of the view that a joint meeting with the Adults and Health Panel could be arranged to consider relevant SEND issues that affected both children and adults. Progress with the implementation of the recommendations of the joint inspection and the written statement of action would be monitored by the Panel. In addition, the Panel would also be considering the new SEND Strategy at its meeting in March. It

was agreed that the Panel would meet separately with parent and carer representatives to obtain their views on progress as part of this ongoing process. Communication with parents and carers needed to be accessible as possible and not just reliant on digital means.

AGREED:

1. That consideration be given to the appointment of a non-voting co-opted Member to the Panel to represent Special Needs and Disabilities (SEND); and
2. That, ahead of the Panel's meeting on 7 March, a meeting be arranged between Panel Members and SEND parent and carer representatives to obtain their views on progress with the response to recommendations of the joint area inspection and associated written statement of action.

30. MINUTES

AGREED:

That the minutes of the meeting of 23 September 2021 be approved.

31. WHITTINGTON HEALTH ESTATES AND SERVICES RECONFIGURATION - IMPLEMENTATION

Jonathan Gardner, Director of Strategy and Corporate Affairs at Whittington Health, reported on progress with the reconfiguration of their estates and services in Haringey and, in particular, the move of children's services to Tynemouth Road Health Centre. A full consultation had been undertaken on the proposed changes. Since approval of the changes, the investment for them had increased from £1 million to £1.8 million. There had been general support for the principle of bringing children's services together at the Centre but there had also been some concerns raised. Those responding to the proposals had stated that they wished to be given the opportunity to shape the design of the changes to the Centre. A range of means had been used to engage with the community and obtain their feedback and their input had been incorporated. A Changing Places toilet had been recently installed and their suggestions regarding the colour of the waiting areas had been incorporated.

In response to concerns, there would be increased parking facilities for users of the centre, with eight places made available. Most of these would be for Blue Badge holders. There would also be additional places available just outside of the centre. They had encouraged staff to reduce the use of parking spaces by them through promotion of initiatives such as the Cycle to Work scheme and Travelcard loans. They had also worked with the Council to improve access and a review of pavements nearby was taking place. They were liaising with the Council on action to address pollution in the area. Much of this was outside of the direct control of Whittington Health but they were doing what they could through measures such as the use of electric vehicles by district nurses. The building work at Centre had started and it was likely to be completed early in the new year.

Panel Members expressed disappointment at the progress report. A clear, costed plan for parking had been requested as part of the Overview and Scrutiny Committee's response to the proposals. In addition, engagement needed to take place with the Council's Highways Service regarding safe crossings as the roads nearby the Centre were very busy. There also needed to be a greater commitment to addressing pollution in the area. Evidence was required that they had listened to those who had responded to the consultation and taken action in response. The aspiration needed to be for the Centre to be the safest location for children and families to receive services.

Mr Gardner responded that Whittington Health had more than doubled car parking capacity and changed their policy on staff parking. He was confident that they now had more than enough capacity for patients. They had tried to engage with the Highways Service regarding crossings and had been told that changes were included in plans for the area. They would do all that was within their powers to address pollution in the area, including expanding their fleet of electric cars and making buildings net zero. The engagement and consultation that had taken place regarding the reconfiguration had been praised by local groups of residents and held up as an example for others.

The Panel requested greater detail in future updates, including clearer evidence of the effectiveness of plans, in order that it could be satisfied that the new arrangements would be of benefit to children and families. Ms Graham agreed to assist Whittington Health in engaging with relevant Council services.

AGREED:

That a further and detailed update be circulated to Panel Members on completion of the necessary works to Tynemouth Road Health Centre.

32. SUMMARY OF AREA SEND INSPECTION

Jackie DiFolco, Assistant Director for Early Help, Prevention and SEND, summarised the outcome of the recent joint area inspection of SEND within Haringey that was undertaken by Ofsted and the Care Quality Commission. The inspection had focussed on how well SEND was identified, outcomes were improved and needs met. It had highlighted some areas of strength as well as areas where action was required. The authority was required to address:

- The poor quality of EHC plans and the annual review process;
- The lack of partnership working and poor communication and co-production with parents, children and young people;
- Unacceptable waiting times for Autism Spectrum assessments and insufficient support whilst people were waiting.

These areas had already been a part of a wider improvement plan that was currently being worked upon. A written statement of action was required to be produced within 70 days. She reported on the work that was taking place with parents, carers and partners to develop a new SEND strategy and outlined the priorities that had been identified for this and the actions that had already been taken in response. There was a strong focus on outcomes so that the authority knew it was making a difference and

that these were measurable through key performance indicators, based on what families told them and what they saw. She felt that the actions were realistic and needed to be implemented with appropriate pace so that drift and delay could be avoided. To truly make the difference, there needed to be shared ownership and accountability with families and partners.

The written statement of action was being drafted based on priorities within SEND Strategy. Two workshops would be co-led with parent and carer representatives and partners on the 29 and 30 November and would cover the three key areas from the inspection. They would be co-led with parents and carers. The size of the workshops had been deliberately kept small in order to ensure meaningful discussion, however invitations had been circulated widely. The SEND Executive Board were accountable for delivery of the written statement of action, in particular, ensuring the timescales were realistic and outcomes achievable. Progress against the delivery of the plan would be reported through various governance arrangements, such as the Start Well Board and Health and Well Being Board.

The Panel were of the view that the plan was very well thought through and pleased that acknowledgement had been made that EHC Plans needed to be improved. A further report was requested in due course that specifically covered the development of a new parent carer forum. It was also requested that parent carer representatives be invited to the meeting where this report is discussed so that the Panel was also able to listen to their perspective. It was noted that many of the areas that were highlighted within the joint inspection report were the same as those that had been picked up by the earlier Scrutiny Review on SEND.

Ms DiFolco reported the joint inspection had taken the view that insufficient progress had been made in bringing about change so far. The borough was working closely with their “partner in practice” Camden that is enabling learning to be shared including experience of co-production and engagement. In addition, Haringey was part of the London Strategic Managers and Parent Carer Forum. Of the local authorities that had recently had an inspection of SEND, approximately 60% had resulted in a written statement of action.

In answer to a question, she stated that there was representation from the education sector on the SEND Executive Board. There was representation from special schools and, more recently, from early years education. However, the terms of reference were currently being reviewed and would seek to increase representation from mainstream. Secondary and post 16 provision. A request had also been received to publish agendas and minutes on the local offer page of the Council’s website and this was being considered. She was happy to circulate details of the current membership of the Board. She accepted that there was currently a disconnect between parents, carers and the Council and that there was a long way to go to establish trust. However, she and her service were totally committed to bringing about meaningful change and progress had now started to be made. There was a clear focus within this to working in partnership.

Ann Graham, Director of Children’s Services, stated that her service wanted to work closely with parents but that there had been long term issues and it was going to take time to remedy the situation. The joint inspection had stated that things were moving

in the right direction though. Some improvements had already taken place. For example, there had not previously been a SEND Executive or a newsletter.

In answer to another question, Ms DiFolco reported that a wider performance framework was being developed that did not just focus on statutory deadlines but looked at longer term trends and matters, such as disproportionality. Adequate funding remained a challenge alongside increasing number of children requiring EHC plans and packages of support. There was a significant overspend in the high needs block and this was being addressed through a financial recovery plan. This would focus on earlier intervention, including provision of therapies at an earlier stage. Although it was intended to reduce the overspend, there was nevertheless still a duty to continue to provide support for any children who needed it.

Panel Members suggested that benchmarking of levels of trust with the Council be included in the development process so that progress could be evidenced. Ms Graham stated that outcomes and impact also needed to be monitored. Consideration of appropriate performance measures would be undertaken jointly with parents and carers.

Councillor Brabazon commented that there was a long term overspend in the High Need Block. SEND was not being properly funded by the government as the duties of local authorities were not commensurate with the funding that was provided for them. The recent government spending review had included additional capital but no additional revenue funding.

Ms Bernard commented that provision for SEND and issues in one area could have an impact on others. More joined up working was therefore needed. It was important that as many SEND parents and carers were included in engagement and inclusive means of involvement needed to be used.

AGREED:

That an update on progress with action taken by the Council to respond to the recommendations of the joint inspection report be provided to the meeting of the Panel on 7 March 2022.

33. CABINET MEMBER QUESTIONS - CHILDREN, EDUCATION AND FAMILIES

AGREED:

That written responses to the questions that were submitted to the Cabinet Member in advance of the meeting be circulated to the Panel.

34. CHILDREN'S SOCIAL CARE; ANNUAL REPORT

AGREED:

That, in view of the late hour, this item be deferred to the next meeting of the Panel.

35. WORK PROGRAMME UPDATE

It was noted that the review of child poverty would seek to identify the current levels of child poverty within the borough and how these have developed since the start of the current Borough Plan. In addition, it would also consider interventions that may be the most effective in responding to the current challenges presented by child poverty and how these may be incorporated strategically within the updated Borough Plan to develop a coordinated approach to the issue. The proposed items for the new scheduled meeting of the Panel on 4 January 2022 were also noted.

CHAIR: Councillor Makbule Gunes

Signed by Chair

Date

**MINUTES OF MEETING Environment and Community Safety
Scrutiny Panel HELD ON Thursday, 11th November, 2021, 6.30
pm**

PRESENT:

Councillors: Scott Emery, Julia Ogiehor, Gideon Bull and Dana Carlin

ALSO ATTENDING: Ian Sygrave

103. 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'.

104. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Culverwell and Cllr Amin.

Apologies for lateness were received from Cllr Bull.

105. ITEMS OF URGENT BUSINESS

None.

106. DECLARATIONS OF INTEREST

None.

107. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

108. MINUTES

RESOLVED

That the minutes of the meeting on 13th September were agreed as a correct record.

109. NORTH LONDON HEAT AND POWER PROJECT - NLWA

The Panel received a presentation from the North London Waste Authority regarding the North London Heat & Power Project. The NLWA were asked to come and speak

to the Panel following the last meeting during which there was a deputation around the proposed replacement of the waste incinerator at Edmonton. The presentation was introduced by Martin Capstick, Managing Director of the NLWA as set out in the agenda pack at page 11. David Cullen, Programme Director of the North London Heat & Power Project was also present. The following arose in discussion of the presentation:

- a. The Panel noted that the Heat and Power Project proposals supported increased levels of recycling alongside provision of the cleanest energy recovery system in the country for waste that could not be recycled.
- b. The NLWA emphasised that the facility was capable of dealing with forecasted increased levels of waste and that the facility was predicated on the expectation of dealing with between 500k – 700k tonnes of waste per year by 2050. The NLWA emphasised that they needed to be able to provide an appropriate infrastructure to deal with waste for the coming decades, at a time when population numbers were also due to increase.
- c. The Panel noted that the NLWA recently became the first authority to have the facility to recycle polystyrene packing.
- d. The Chair commented that a lot of the concerns expressed by the community were around the proposed size and scale of the facility. The Chair questioned whether in light of other facilities across London closing down, whether the NLWA was considering having waste from other facilities directed to the new facility in Edmonton. In response, the NLWA advised that they were a few months from beginning the process of building the facility and that the focus was very much on the waste processing needs of North London only. The Panel was advised that, in simple terms, if NLWA did not build the facility then North London would not be able to deal with its own waste.
- e. The Panel raised concerns about the location of the new facility and the fact that it was in deprived area with existing health and air pollution concerns. In response, the NLWA advised that the facility was being built within an existing waste management site and that the new facility would be the cleanest in the country. The NLWA set out that emissions from the site would be largely undetectable, and that detectable emissions would only be present for no more than a few days of the year.
- f. In response to concerns raised, the NLWA advised that air pollution would improve as a result of the new facility. Under the industrial emissions directive the safe level of emissions was 200 units, the site was licenced from the Environment Agency at 80 units and the expected emissions from the facility were between 10-15 units. The NLWA advised that a simple assumption that the site was going to be a source of significant pollution was wrong.
Clerk's note 18:56 – Cllr Bull entered the room at this point.
- g. The Panel sought clarification around the fact that there was no safe limit for particular matter. The NLWA confirmed that this was the case but highlighted that emissions from the facility would be very low, to the extent that they would be effectively zero.
- h. The Panel queried whether the NLWA saw a future where the UK no longer needed waste incineration. In response, the Panel was advised that energy from waste was expected to remain as the biggest source of carbon output for the next 40 plus years. The importance of carbon capture was highlighted in this context. The new facility would not have carbon capture but it would be compatible if this was required in the future. The NLWA commented that they

believed that the need for processing waste along current lines would remain for some time to come.

- i. In regards to a questions around the economies of scale and whether there were cost implications from running the facility at a reduced scale, the NLWA reiterated that there was a significant amount of flexibility built into the site and that it could easily operate at a levels of 500 tonnes per year, which was significantly below current waste levels. The NLWA acknowledged that operating on reduced scale would be less cost effective in terms of costs per ton, but that there was very little difference in overall costs from operating at 500k tonnes to 700k tonnes. The NLWA considered a range of different sizes and outputs when drawing up proposals. The Panel was advised that it made sense to build the facility at the proposed size, with a capacity to scale this up if required.
- j. In relation to a follow up question around whether a 10% reduction in waste would equate to a 10% reduction in costs, the NLWA advised that having a smaller facility would not achieve equivalent savings but that it was important to consider that a smaller facility would run the risk of not being able to meet future waste output in North London.
- k. Cllr Bull noted that he had been sent some fairly detailed questions on the site from the Haringey Climate Action group and it was agreed to send these to NLWA for a response in writing. **(Action: Martin Capstick - NLWA).**

RESOLVED

Noted

110. PRIORITIES FOR THE COMMUNITY SAFETY PARTNERSHIP

The Panel received an update on the priorities for the Community Safety Partnership for the year. The Panel heard from the Borough Commander as well as the Leader of the Council, as joint Chairs of the Community Safety Partnership. The Police tabled a set of slides, which were subsequently emailed round to the Members. Simon Crick, Borough Commander introduced the slides. Also present from the Police were; Supt. Chris Jones, DI Paul Ridley and D-Supt. Seb Adjei-Addoh. The key highlights from the presentation were noted as:

- Total Notifiable Offences were down 11% in 2021 compared to 2019.
- Violence with Injury was down 10% in 2021 compared to 2019.
- Total Knife Crime was down 43% in 2021 compared to 2019.
- Personal Robbery was down 49% in 2021 compared to 2019.
- Residential Burglary was down 26% in 2021 compared to 2019.
- Hate Crime had risen by 31% in 2021 compared to 2019. The Police commented that they saw having a high detection rate for this crime to be a positive outcome.
- In relation to Turnpike Lane/Ducketts Common: Arson and Criminal Damage was up 100%; Burglary up 120%; all robberies up 217%; all sexual offences up 150%; burglaries down 41% and Violence with Injury down 41%. (Figures related to period of Sept 19 – Aug 20 compared to Sept 20 to Aug 21).

- The Wood Green Town Centre team was due to be operational on 6th December. This comprised of 1 inspector, 3 sergeants and 21 constables who were an additional resource to the neighbourhood teams.

The Leader of the Council gave a verbal introduction and set out the key priorities in relation to community Safety from a Council perspective. The key points raised were:

- The Leader noted that less than 24 hours after becoming Leader, there was a murder in Turnpike Lane and that she had made Turnpike Lane an absolute priority for her administration. There was a lot of joint working taking place with police and other partners around Turnpike Lane. However, the Leader also commented that they couldn't seek to just try and police their way out of a particular problem and so a Turnpike Lane Strategy forum was being set up with traders and a range of other partners. This forum was in addition to the police led partnership group for that area.
- The Council was working on an anti-discrimination campaign and meetings with specific community groups had been taking place over the last six months.
- The Leader identified women and safety as a key issue and advised that the Council had received 2000 responses to a survey around women's safety. In addition to the police led initiatives, it was identified that the Council would be prioritising improving the public realm and improving street lighting as part of the process of trying to address this issue.
- The Leader also set out the importance of community engagement in relation to Turnpike Lane and commented that there were particular groups that were not adequately engaged with. The Leader and partners had met with representatives of the Somali community the day before, particularly in light of two of the three murder victims in Turnpike Lane being Somali.
- The Leader identified the importance of early intervention work, particularly in relation to the issue of gangs and knife crime.

The following arose from the discussion of this agenda item:

- a. The Panel sought reassurance around what was being done to tackle Violence Against Women & Girls (VAWG). In response the Leader advised that she was a co-signatory to a letter sent to the Metropolitan Police commissioner setting out ten key points to be addressed in relation to VAWG. The Police commented that sexism/VAWG was a societal issue and required a multi-agency response. Operation Heartsholme was highlighted, which was comprised of a 15 strong team dedicated to tackling VAWG and sexual offences. These officers had been working hard to proactively apprehend outstanding sexual offence suspects. The Panel was advised that the BCU had developed its own VAWG Action Plan, which was in addition to the Met-wide VAWG action plan announced by the Commissioner.
- b. The Panel also sought assurances around what was being done to redesign crime hotspot locations across the borough in order to deter crime. In response, officers advised a £4m investment in CCTV upgrade had been made which would be focused around hotspot locations. Officers also advised that they had a problem solving partnership group with the Police were designing out criminal behaviour at hotspot locations was discussed. The Police advised that they had team that undertook work around designing out crime. The example of

- Holcombe Road Market was given; the team had made a series of short, medium and long-term recommendations in this area which were being implemented. These included fencing, CCTV, cutting back hedges and shrubs.
- c. In relation to hate crime, the Panel sought assurances around what was being done to continue with cross-party briefing sessions that were promised. One session had been held around the far-right, but the Panel sought reassurances that other sessions would also be held, including on anti-Semitism, for example.
 - d. The Panel sought clarification around additional funding from the Mayor to tackle hate crime and how this was delivered to police colleagues. In response, officers advised that there had been increased funding streams in a number of areas around hate crime, this included funding to pay for officers working overtime to tackle this issue.
 - e. The Panel welcomed the additional high visibility police presence in and around Haringay ward in recent months and drew comparisons with earlier in the year. The Panel questioned the extent to which abstraction was a key issue, with SNT officers being reallocated to other central Met operations. In response, the Borough Commander advised that he shared the concerns raised about neighbourhood officers being taken away but that there was little he could do about it as he was required to provide additional support to cover large scale policing events in central London. The Borough Commander advised that at peak times he was losing up to 98 officers a day, but that he and his management team would continue to try and do everything they could to try and minimise the impact of abstractions. The Borough Commander advised the Panel that did not underestimate the role that dedicated ward officers played in local policing.
 - f. The Panel sought reassurances around what was being done to reach out and engage with hard to reach groups. The Leader responded that one of the points she took away from the meeting with the Somali community was that they did not appreciate being referred as hard to reach, as they felt they were visible and the Council could easily contact them. One of the key concerns was around feeling discriminated against and that their concerns and needs around housing, health, education etcetera were not taken onboard.
 - g. In relation to ward panels and variable attendance levels, the Panel sought assurances around to what extent those panels were being utilised. The Leader acknowledged that different ward panels had different attendance and engagement levels, depending in local factors. Police colleagues noted that there was a ward panel improvement plan in place. Chris Jones advised that it was his expectation that the ward sergeant would attend the ward panel meeting to give the required level of seniority.
 - h. Cllr Bull raised the alleyway near Tesco Express near Turnpike Lane as a hotspot area that would benefit from having some work done to design out crime. Officers advised that this location would form part of the wider multi-partnership response to Ducketts Common and Turnpike Lane.
 - i. The Panel requested further information around what was being done to tackle empty buildings and shop fronts from contributing to crime and ASB particularly in relation to making an area appear run down and neglected. The Leader

- advised that Cllr Gordon and Regen officers would be able to provide a written response on this. **(Action: Cllr Gordon).**
- j. In response to further concerns around hotspot locations, officers advised that there was a big partnership focus around hotspots at Turnpike Lane, Tottenham Hale and Northumberland Park. Officers agreed to write to Cllr Ogiehor with information around what was being done to redesign crime hotspots. **(Action: Eubert Malcolm).**
 - k. In response to concerns about the extent to which a reduction in drug offences related to under reporting of crime, police colleagues suggested that it was fair to say that there was a trust and confidence issue around drugs. The Panel was advised that Members should see an uptick drug prosecutions as specific resources were being deployed to that area.
 - l. The Panel questioned what the statistic were for bringing rape offences to trial. In response, the Police advised that this crime type would be treated with the same severity as a murder case and that it could take 6-12 months to build a case. The current sanction detection rate was identified as 1.8% in Haringey for the current year, against a national average of 3%. The Borough Commander noted the Sapphire Team for North Area was pretty much at full strength and he was hopeful that investments in this resource would see an uptick in the number of cases going to trial.
 - m. In response to concerns around preventing dispersal of crime from hotspot locations, the Panel was advised that crimes were tracked at ward level and below and that there was not much evidence to suggest that significant displacement of crime took place from the main hotspot locations. The Police added that this crime data was monitored daily and that investigating teams would follow any crime problems from one area to another if it was displaced, to ensure a level of continuity in the response.

RESOLVED

Noted

111. HARINGEY CRIME AND ASB HOTSPOTS

The Panel received a presentation which provided an update on crime and ASB hotspots, including what the process was identifying and monitoring those hotspots. The presentation was included in the agenda pack at pages 25-31. The following arose as part of the discussion of this item:

- a. In response to a question around enforcement tools and the need to stop people from fly tipping in the first place, officers acknowledged that there was an element of broken window syndrome. Officers set out that the actions taken in response a particular hotspot was dependent upon what the issue was. Officers used the example of a targeted response that had been used at a location at block of flats at Northumberland Park, where a relocatable CCTV was put in place, an 'A' board was put up in the location, a wall of shame

picture gallery was put up along with very visible signage and every resident in that block had been visited by officers. This had resulted in a notable improvement in the situation. Officers also outlined the importance of holding landlords to task for HMO's.

- b. The Panel requested that the email address for reporting ASB be more widely publicised through different communication channels. **(Action: Eubert).**

RESOLVED

Noted

112. CABINET MEMBER QUESTIONS - THE LEADER OF THE COUNCIL

Following and extensive questions as part of agenda Item 8, there were no further questions put to the Leader.

113. WORK PROGRAMME UPDATE

RESOLVED

The Panel noted the Work Programme and agreed any amendments contained therein.

114. NEW ITEMS OF URGENT BUSINESS

N/A

115. DATES OF FUTURE MEETINGS

14th December
3rd March

CHAIR:

Signed by Chair

Date

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MINUTES OF MEETING Housing and Regeneration Scrutiny Panel HELD ON Thursday, 4th November, 2021, 6.30 pm

PRESENT:

Councillors: Matt White (Chair), Dawn Barnes, Bob Hare, Charles Adje, Kirsten Hearn, Emine Ibrahim and Noah Tucker

ALSO ATTENDING:

13. FILMING AT MEETINGS

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

14. APOLOGIES FOR ABSENCE

There were no apologies for absence

15. URGENT BUSINESS

There were no items of Urgent Business

16. DECLARATIONS OF INTEREST

None.

17. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

18. MINUTES

Cllr Hare requested to see preview of the employment land study. The Clerk agreed to ask David Joyce. **(Action: Clerk).**

In relation to a previous action, the Panel sought the Cabinet Member's view on whether there had been any consideration of the Council building its own homes going forwards. In response, Cllr Gordon advised that officers had provided a response on this point but that from her perspective, there was no reason why the delivery of house building in-house would not be discussed in the future but that those discussions had not gone forward at present.

As a follow up, the Panel sought clarification around what the Cabinet Member's view was around direct delivery of Council housing and the feasibility of building up the existing team to facilitate this. In response, the Cabinet Member advised that the Housing Delivery team contained an array of talent within it, including staff who had experience of project management and managing building projects and that this team was going to be expanded upon further. However, there were no plans at present to expand upon the roles in that team to include bricklayers and carpenters, for example. Any consideration of direct delivery of housing would have to be looked at in the round and there would need to be consideration of whether it was financially prudent for the Council to build its own homes or whether the costs of doing so were more than the Council could afford. The Cabinet Member acknowledged that there were some conceivable benefits to having a direct labour force but that these costs would need to be considered in the round.

In response to a further request for clarification, the Cabinet Member set out that she had not had any discussions about the direct delivery of housing and that no consideration of this had been undertaken at present.

In response to further questions around whether there would be any discussions on this issue in the future and whether there were any plans to, for example, undertake a feasibility study on this, the Cabinet Member advised that there were no plans at present but that she may look at the issue in the future.

RESOLVED

That the minutes of the meeting on 13th September 2021 were agreed as a correct record.

19. ST ANN'S DEVELOPMENT

The Panel received a report which provided an update on the proposed development of the St Ann's site, as requested previously by the panel. The report was introduced by Peter O' Brien, AD for Regeneration as set out in the report pack at page 13.

The Panel noted that Catalyst had been selected as the Mayor of London's preferred development partner for a site adjacent to St Ann's Hospital. This site was purchased by the Mayor in 2018 as part of the Mayor's Land Fund. The redevelopment would deliver around 930 new homes, 60% of which will be affordable. It will also provide a new and enlarged Peace Garden, improved streets as well as new retail and affordable workspaces. The Council was in negotiations to purchase 50% of the affordable rent homes. The proposals would equate to 147 Council homes, in addition to circa 34 homes being provided to Commissioning for Sheltered Housing.

The following arose during the discussion of this report:

- a. The panel queried the sums behind the Council's allocation of 147, suggesting that 50% should be 152. Officers agreed to come back on that point. **(Action: Peter O'Brien).**

- b. The Panel sought assurances that the Council was going to acquire the full 50% allocation of affordable homes. In response, officers advised that this was the intention and that part funding had been received from TfL for this purpose.
- c. The Panel raised concerns around potentially high levels of service charges and sought clarification as to what the cost of the service charge would be. In response, officers advised that discussions on the service charge were ongoing with TfL and that they were unable to comment further at this stage as it was an ongoing negotiation.
- d. The Panel commented that service charges should be the same across all Council properties and noted concerns with any arrangement that created variable service charges in council homes. Officers advised that the AD for Housing would respond to this point in writing. **(Action: Robbie Erbmann)**.
- e. The Panel requested that the Cabinet Member make a firm commitment that all Council tenants should be treated the same in regard to service charges. In response, the Cabinet Member acknowledged that this would be something that she would strongly encourage but cautioned that without knowing all of the facts she could not make a firm commitment at the meeting, there may for example be cost implications to the HRA.
- f. The Panel noted with concern that Paragraph 3.4 suggested that the service charges would be set by Catalyst and advocated that this should be managed by HfH. The Scrutiny Panel asked for a written response about if/why Catalyst would be responsible for setting the estate/service charges rather than say HfH, in respect of the 50% affordable homes that the Council intended to acquire as part of the development. **(Action: Robbie Erbmann)**.
- g. The Panel commented that although 60% of homes on the site were affordable, only 20% of homes would be at social rents. The Panel commented that they would be disappointed if only 20% of the homes were at social rents. The Panel sought clarification as to what the barriers were to increase this figure. In response the Cabinet Member advised that the affordability breakdown was agreed at the time the deal was negotiated with the GLA, which preceded Cllr Gordon's tenure as Cabinet Member. Cllr Gordon advised that given that the deal had already been agreed, there were not many planning tools left in the toolbox to improve the affordability.
- h. The Cabinet Member acknowledged that some of the elements of the 60% figure were not genuinely affordable, however in planning terms they were designated as being so. Officers advised that the procurement process was undertaken by the GLA, as it was a GLA site, and as part of this they had undertaken a competitive process to appoint a third party. Catalyst had signed a development agreement and would be expected to meet the terms of that agreement, including the agreed level of affordable homes, officers commented that, notwithstanding the panel members comments, the affordability breakdown was quite good compared to other schemes across London.
- i. A member of the Panel commented that it was unlikely that the Council would be able to acquire any more homes on the site as the other 50% were owned by Catalyst who, as a housing association, would use those homes for their own housing stock. However, the other 50% of homes may also include homes at social rent, it's just that they would be managed by a Housing Association, rather than the Council. The Council would not be the landlord for all of the homes on the site, as it had only agreed to acquire 50% of them.

- j. The Panel sought assurances as to whether the Council would have full nomination rights to the 50% of homes owned by catalyst, as it would for any other housing association homes in the borough. **(Action: Robbie Erbmann).**
- k. The Panel enquired why the Council could not go back to Catalyst and try to purchase some of the homes that had been allocated as London Living Rent homes and Shared Ownership homes in order to use those as homes at genuinely affordable social rents. It was suggested that the Council had, in other instances, gone back to a developer about a previously signed agreement and attempted to purchase a greater proportion of the homes being built. In response, the Cabinet Member suggested that Hale Wharf was a different proposition as they were receptive to the idea of the Council purchasing more homes. Officers advised that as a housing association, Catalyst would likely see themselves as being in the business of offering a wide spectrum of affordable housing and it was not thought very likely that they would want to sell any additional units to the Council. Officers also set out that homes purchased at London Living Rent were more cost effective than properties designated as Shared Ownership, so there would be a cost to the HRA in doing this. As a follow-up the panel suggested that the Council should at least be asking the question.
- l. The Panel sought assurances around whether the Cabinet Member had looked at acquisition of the additional homes through a CBS model as this would have different cost implications. The Panel requested that the Cabinet Member make enquiries and come back to the panel with an update at a subsequent meeting. **(Action: Cllr Gordon).**
- m. The Panel referred to comments from Catalyst that it was looking to build a number of 3 to 4 bedroom town houses as part of the development, largely at the Council's behest. The Panel raised concerns that 3 to 4 bedroom town houses did seem to be especially cost effective. The Panel sought clarification as to whether there had been any actual discussions on this between the Council and the developer. **(Action: Robbie Erbmann).**
- n. The Chair sought clarification around the stated aim to provide an appropriate level of parking provision on the site and how this fitted in with the wider goal to create a modal shift of 88% of all trips in the borough being undertaken by cycling, walking or public transport by 2041. The Chair also queried why demand was the determining factor, rather than the goal of reducing demand on cars, which is where the Council wanted to get to.
- o. A panel member commented that they would be unhappy with any provision that set a lower level of parking space allocation in council homes than was the case in the private sector.
- p. A panel member suggested that as a Ward Councillor, the residents of St Ann's did not want to see an additional increase of 200 cars in the ward, when 70% of households in that ward did not own a car.

In response to the above points, Cllr Gordon advised that she was personally in favour of as many car-free developments as was possible, with the provision that disabled parking spaces were available. However, the Cabinet Member advised that she also recognised that there would be some issues with this and in particular there was potentially a need to have car parking available for family sized homes. The Panel cautioned against having a hierarchy of who needed a car parking space as it was not as straight forward as family homes needing car parking spaces at the exclusion of other groups.

- q. Officers advised that planning standards were set out in the adopted Local Plan, as well as the London Plan and that there was no differentiation in those documents between public and private developments. The Panel was advised that planning policies would be used to determine any future planning application on this site. Officers set out that the public transport accessibility score for this site was between 2 and 4, which was considered low to medium. As a result, it was not possible to pursue an entirely car-free development, but it was possible to adopt a car-capped development, which would result in a limited number of car parking spaces, as per the Local Plan.
- r. Officers also outlined that the draft Walking and Cycling Action Plan was out for consultation, which set out the wider ambitions for the Council in relation to walking and cycling.
- s. The Panel noted that paragraphs 4.1 & 4.2 of the report seemed to be contradictory to some extent, and it was suggested that further thought should be given by the Cabinet Member as to what the position was in regard to car parking and the St Ann's Development.
- t. The Cabinet Member for Planning echoed the earlier comments of officers and reiterated that GLA and local planning policies would be applied when considering any planning applications. The Council had also made an emergency climate declaration and that the local planning policies were all part of the process of getting to that target. It was also noted that every site was different and would be determined on its own merit.
- u. The Panel sought assurances around any potential loss of parking in the southwest corner of the site and whether additional parking would be provided to existing residents to offset the possible loss of four parking spaces. In response, the Cabinet Member advised that every new scheme contained a number of conflicting requirements, and the best outcome overall was sought within those competing requirements. The Cabinet Member for Planning urged councillors and residents to input into any planning consultations that took place in relation to this site. In regard to a follow-up requesting what assurances could be given to residents around the potential loss of four parking spaces as part of a cycling and walking through-route. In response, the Cabinet Member advised that he was unable to give a response to this as it was not Council site. Cllr Gordon noted that the potential loss of parking would be part of the S105 consultation and that the administration would be in a better position to comment on this once the results of the consultation had been received.
- v. The Panel commented that they would like to hear a political commitment from the Cabinet Member about whether the administration would be happy to see a loss of four parking spaces (as per paragraph 5 of the St Ann's report) if the S105 consultation responses were against this loss of amenity and what other options had been considered in regard to this. Cllr Gordon agreed to provide a written response on this point. **(Action: Cllr Gordon)**.
- w. Officers commented that the adopted Local Plan set out that the new connection towards Green Lanes should not adversely impact the occupants of the residents of the block at the southern end of Warwick Gardens. This was something that would be considered through planning process, when a planning application was submitted.

RESOLVED

Noted.

20. CLIMATE CHANGE

The Panel received a report on Climate Change, regarding how portfolios and services were contributing to reducing carbon emissions. The Cabinet Member for Planning, Licensing & Housing Services and the Cabinet Member for House Building, Place-Making and Development introduced how their portfolios were contributing to carbon emissions, as set out on the report, which was on page 3 of the addendum report pack. The Assistant Director, Planning, Building Standards & Sustainability, The Assistant Director for Regeneration & Economic Development and the Head of Carbon Management were all present for this agenda item. The following arose during the discussion of the report:

- a. The Panel queried where the authority had got to with the Local Plan and questioned what was being done to engage with a wide array of people. In response, the Cabinet Member for Planning advised that the consultation on the Local Plan was ongoing and that he had specifically requested that the views of groups who did not regularly engage with the Council were sought. Officers added that they were engaging with the Bridge Renewal Trust and the Youth Advisory Board to seek their input. Officers also set out that Haringey had received feedback from the government that its latest engagement strategy around planning policy was a best practice example.
- b. The Cabinet Member for Planning advised that the Cabinet was due to meet in a few weeks to review progress to date across a raft of measures related to climate change that were set out in the Local Plan.
- c. In response to a question, the Cabinet Member for Planning advised that all 33 London Boroughs were working together to try and agree proposals around Energy retrofit works that would cover a ten year period, as having an assured funding stream and assured programme of works was the only way to make significant progress. The Energiesprong pilot was underway in relation to retrofitting homes in the agreed pilot locations. 50 homes in White Hart Lane had been selected as part of the pilot scheme, the works would be delivered in 2022.
- d. The Panel sought assurances around the Council meeting its carbon reduction targets. In response, officers advised that Haringey had agreed that the borough would be carbon net-zero by 2041 and that the Council's buildings and vehicle fleet would be carbon net-zero by 2027. The Council had started the procurement process for a number of electric vehicles and officers were working with the Corporate Landlord to understand key issues going forwards. The Council had allocated £101m to retrofitting Council housing stock and officers advised that they were working through a strategy to deliver that programme, which included focusing on the worst performing buildings first. The target for these works being completed was 2035. In relation to wider engagement, the Panel were advised that at a Cabinet away-day earlier in that week, Cabinet had undertaken to do more to reach out into the community and speak to harder to reach groups.

- e. One of the panel members suggested that the Council should be seeking to engage more with Extinction Rebellion around the climate change agenda.
- f. Cllr Hearn agreed to circulate her questions in writing for a subsequent response. Officers to provide a written response. **(Action: Cllr Hearn/Officers)**
- g. The Chair noted with concern the fact that 50% of the borough's carbon emissions emanated from housing and only 7% of that was from Council housing stock. Therefore, the vast majority for emissions were from the owner/occupier sector and the private rented sector. The Chair suggested that, given the nature of the properties, the majority of carbon emissions were likely to be from the private rented sector and asked what the Council was doing in this area to meet its requirements on net-zero, above and beyond reviewing energy performance certificates. In response, the Cabinet Member for Planning advised that government issued guidance was that private rented homes had to achieve an 'E' grade on their energy performance certificate otherwise they could not be rented out. The Cabinet Member commented that in terms of owner/occupiers this was something for central government to lead on. The Cabinet Member expressed concerns around a perceived scattergun approach to this by the government and the collapse of the government scheme after only around 16,000 homes were retrofitted.
- h. Officers advised the Panel that, through the licensing scheme, the Council would be enforcing minimal standards around energy efficiency and that the Council would also signpost and support landlords to access alternative funding schemes. The example of the Green Home Grant scheme was given, which was ran by GLA and was available to all homeowners/landlords. Officers advised that the ambition for this funding was to get all of the housing stock across the board up to a mid 'B' efficiency rating.
- i. The Panel sought assurances around retrofitting council housing stock and potential costs to leaseholders. The Panel asked whether funding for leaseholders had been put budgeted for and whether any thought had been given on how to manage this process and mitigate any costs to leaseholders. In response, the Cabinet Member for Planning advised that any costs would vary according to the type of property and the type of retrofitting scheme that was being used. The Panel requested that the Cabinet Member provide a written response to this question. **(Action: Cllr Bevan).**
- j. In reference to wrapping of properties as a method of improving energy efficiency, the Panel sought assurances around how this could be done in a conservation area and whether this would raise planning questions. In response, officers advised that the planning policy supported the retrofitting of properties and improving energy efficiency performance as well as supporting heritage and conservation areas. Officers advised that the purpose of the planning process was to try and achieve a good balance between the relevant considerations. The role of pilot scheme was highlighted as being crucial in this respect as it allowed a forum for testing and refining the process.

RESOLVED

Noted.

21. LOVE LANE BALLOT

The Panel received a report, which provided an update on the resident ballot undertaken on the Love Lane estate as part of the High Road West Regeneration scheme. It was noted that the ballot took place from 13 August to 6th September. The GLA stipulated that the ballot was administered by an independent body, the Council appointed Civica Election Services (CES) to this role. CES had managed over 90% of resident ballots undertaken in London. The results of the ballot were that 55.7% voted in favour of the proposals, with a turnout of 69.4%. CES have advised the Council that they were satisfied that the ballot process was conducted in accordance with GLA regulations. The following was noted in discussion of this report:

- a. A member of the Panel enquired as to whether he may be able to review the ballots cast during the election in order to verify concerns around spoiled ballots etc, given that there was only a dozen or so ballots in it.
N.B. Clerk's note – Officers have subsequently advised that there was only one spoiled ballot and the margin of votes between yes and no was 23. Officers advised that they were unsure whether viewing ballot papers would be permissible, as it may be counter to GDPR regulations. Officers agreed to ask Civica as to whether it was possible for a Councillor to review the ballots in some redacted form. (Action: Peter O'Brien).
- b. Cllr Ibrahim suggested that Civica administered the election and that they would have process in place for tallying up and verifying spoiled ballots.
- c. Members of the Panel commented that they were more concerned with allegations that the Council had been improperly involved in the process. In response, Cllr Gordon commented that CES administered the election and that any questions around the process should be directed to them. Cllr Gordon advised that as part of the engagement process for the ballot, officers were instructed to be clear about the Council's landlord offer with tenants and be able to answer questions. Cllr Gordon set out that there was no evidence that officers had done anything to invalidate ballots or in any way undermine the result of the ballot. The Panel was advised that Civica concurred with the Council on this and had clearly advised that the ballot was run according to the GLA guidance.
- d. The Panel commented that encouraging people to take part in the ballot was fine but that they were concerned about allegations from Defend Council Housing that officers handled ballot papers or were involved in the collection process for the ballots in some way. In response, the Panel was advised that the Council had followed Civica advice to the letter. Officers advised that there were categorically no instances of officers collecting unsealed ballot papers or helping to fill ballot papers in. Officers advised the Panel that there were four instances where officers posted sealed ballot papers on behalf of residents at their request, for example due to mobility issues. It was noted that this was done as a last resort and was in line with Civica's advice.
- e. Officers advised that they had contacted Civica to request advice around whether it was permitted to post sealed ballot papers on a residents' behalf. Civica had provided advice stating that this should only be done as a last resort and at the residents' insistence. Officers reiterated that what was being referred to was a very limited number of instances where sealed ballots in sealed envelopes had been collected from people with serious mobility issues, and that this was done only as a last resort upon the resident's request, not as a

- proactive exercise instigated by officers. This was therefore in line with the guidance provided by Civica. These sealed ballots were collected by engagement officers who were highly visible and had been working in the community for a number of years.
- f. The Panel commented that collecting sealed ballots was not something that would be undertaken during other types of election processes. Councillors commented they were forbidden from collecting ballots on behalf of residents during a Council election, for instance.
 - g. The Panel suggested that in hindsight, one side should not have been the only one who collected sealed ballots and that a clear process should have been in place for dealing with this eventuality.
 - h. In response to further questions, officers advised that they were certain that there were only four instances of sealed ballots being collected by officers. In response to another question, officers gave firm assurances that the collection of sealed ballots did not invalidate the ballot in anyway. Civica had significant experience in carrying out resident ballots and they were happy that the result was valid. Officers advised Members that any concerns about how the ballot was run should be put in writing to Civica Election Services.
 - i. The Panel raised concerns with some community organisations having allegedly received letters that stated that Civica had advised the Council not to collect ballots in person. The Panel sought clarification as to what advice the Council received from CES around collecting ballots and whether this advice was followed. Officers commented that they were not aware of the letters referred to or any statement from Civica to that effect, but it was reiterated that the Council had consulted Civica about the collection of sealed ballots and had followed all of the guidance provided. Civica were happy that the ballot had been properly undertaken. In response to further questions on this, officers agreed to circulate the text of the advice that they received from Civica.
(Action: Peter O'Brien).
 - j. The Panel asked the Cabinet Member for House Building, Place-Making and Development whether she would consider a re-run of the ballot in light of the issues raised by the Panel. In response, Cllr Gordon advised that there was no reason to overturn the ballot, as the Scrutiny Panel had received multiple assurances from officers about the integrity of the process and the fact that all of the relevant guidance had been followed. The Cabinet Member reiterated that there was no evidence of any irregularities having taken place.
 - k. In response to alleged photographs on social media, the Panel was advised that officers did not carry around a bag or box to put ballots in as part of the election process. Officers advised that any ballot box for in-person ballots would have been with Civica staff and would have been clearly labelled with CES on it, rather than Haringey Council. Officers set out that the Council had absolutely nothing to do with ballot boxes and the management thereof.
 - l. The Panel recommended to the Cabinet Member that the collection of sealed ballots by officers was not done again in any future ballot process, regardless of whether this was permissible or within the relevant guidance.
 - m. The Panel also recommended that the Cabinet Member for House Building, Place-Making and Development give consideration to re-running the ballot in light of the concerns raised during the meeting.

RESOLVED

That the report was noted.

22. WORK PROGRAMME UPDATE

The panel reviewed its work programme.

RESOLVED

- I. That the work programme was agreed.
- II. That the Scoping Document for the Scrutiny Review on Wards Corner was agreed and that this should be sent to Overview and Scrutiny Committee for formal approval.

23. NEW ITEMS OF URGENT BUSINESS

N/A

24. DATES OF FUTURE MEETINGS

9th December
28th February

CHAIR: Councillor Matt White

Signed by Chair

Date

Report for: Overview and Scrutiny Committee – 20 January 2022

Title: Scrutiny of the 2022/23 Draft Budget/5 Year Medium Term Financial Strategy (2022/23-2026/27) - Recommendations

Report authorised by: Ayshe Simsek, Democratic Services and Scrutiny Manager

Lead Officer: Dominic O'Brien, Principal Scrutiny Officer
Tel: 020 8489 5896 or Email: dominic.obrien@haringey.gov.uk

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 This report sets out how budget proposals detailed in the draft 5-year Medium Term Financial Strategy (2022/23 – 2026/27) have been scrutinised and the draft recommendations that have been reached by the Overview and Scrutiny Committee (OSC) and Scrutiny Review Panels.
- 1.2 In view of the very high covid infection rates, the Children and Young People's Scrutiny Panel and Overview and Scrutiny Committee considered the budget proposals for their respective remits at fully virtual meetings and the recommendations, arising from these discussions are put forward for agreement as part of recommendation 2.1a and in accordance with section 4e.
- 1.3 Members of the Committee are asked to consider and agree recommendations contained within this report so that these can be considered by Cabinet on 8th February 2022, when they will also agree the final MTFS proposals that will be put to Council on 1st March 2022.

2. Recommendations

- 2.1 That the Overview and Scrutiny Committee:
 - (a) Approves the final budget recommendations to be put to Cabinet on 8th February 2022, as outlined in **Appendix A**.
 - (b) Notes the 2022/23 Draft Budget & 2022/27 Medium Term Financial Strategy Report, as presented to Cabinet 7th December 2021 (**Appendix B**) and the proposals therein, as considered by the Scrutiny Panels and the Overview and Scrutiny Committee in December 2021/January 2022.

Reasons for Decision

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

scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.

3. Alternative Options Considered

N/A

4. Budget Scrutiny Process

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

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

5. Budget Scrutiny to Date

5.1 Following consideration by Cabinet, the four Scrutiny Panels met in December 2021/January 2022 to scrutinise the draft budget proposals that fall within their portfolio areas. In addition, the Overview and Scrutiny Committee is scheduled to meet on 13 January 2022 to consider proposals relating to Your Council.

5.2 Cabinet Members, senior service officers and finance leads were in attendance at each meeting to present proposals and to respond to questions from members. A list of draft recommendations arising from the meetings referred to above, is provided at Appendix A. The detailed report on the MTFs that was submitted to

Cabinet on 7 December 2021 is attached as Appendix B. A link to further detail on the individual revenue growth proposals is included at the end of this report.

Extract from report to the budget scrutiny panels

- 5.3 The report provided from finance officers to the Panels and the Committee summarised the approach to the draft budget and 5-year MTFS as follows:
- 5.4 “The approach taken to the financial planning process has been markedly different this year, planned to lead to what is now a very different kind of budget being proposed. We have been clear from the onset that we need to continue our council change agenda, particularly in light of the ongoing effects of the Covid-crisis and change in needs that that has brought about. We have also recognised that this type of change is difficult and takes time, and that the Council-wide huge exercise that is now starting to consider how the new four year borough plan should be framed will provide the essential new plan for that change. Our 2022/23 budget strategy also allows us to better focus on the delivery of the next year of our already agreed savings strategy, which in itself represents £12m.
- 5.5 Our strategy therefore has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan, which means that next year’s MTFS will be pivotal in this. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the timescales that would be associated with such future change.
- 5.6 This planned approach to our multiyear financial planning, coupled with a short term improvements in the assumable level of government grant funding, allows a draft budget for next year which addresses essential budget growth requirements totalling of £11.8 in 2022/23 across most parts of the organisation, over and above that already assumed in the existing MTFS. This strategy does require a short-term use of balances in the 22/23 financial year to make this possible. This considered use of one-off funding will enable the Council to have more time and space to determine the new programme of change required to address the structural c. £20m gap in the medium term, which will align with the launch of the Council’s new Borough plan.
- 5.7 The revenue growth within this budget will address, not just the pressures in our main demand led services (Adults, Children’s and temporary accommodation), but also bolster budgets where necessary to ensure that we are a sustainable, stronger and fit for purpose organisation in the best position to tackle the sizeable change required to meet the structural funding gap in the medium term. The priorities that have framed this budget are:
- Ensuring that we can meet the growing need of our most vulnerable residents – through substantial additional investment in children’s and adult’s services; and in resources for the provision of temporary accommodation and with our partners investing in earlier intervention and early years.
 - Enhances support for women and girls impacted by domestic abuse and other forms of violence

- Supports our ambitious plan to play our part in tackling the climate emergency
- Invests where necessary to ensure we are a sustainable and fit for purpose organisation able to deliver the high-quality services our residents, businesses and partners expect, with co-production running through everything we do
- Invests for the long term in our public realm including roads, pavements and parks; our schools and young people’s services; and our Civic Centre.

5.8 The Spending Review announcements in late October (SR21) provided some level of financial improvement to this and other authorities for next year’s budget however, beyond 2022/23 the majority of funding remains cash flat. This means that for 2023/24 and 2024/25, increasing their Council Tax level is the only means by which local authorities, including this council, can generate more corporate funding to protect services and respond to demand led growth. 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 1% (the maximum allowed by Government), which give a total Haringey Council Tax charge increase of 2.99% for 2022/23, with the same assumptions built into the draft MTFS for the following two years for modelling purposes. This proposed increase for 2022/23 forms part of the budget consultation.”

6. Next Steps

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

Date	Meeting	Comments
20 January 2022	Overview and Scrutiny Committee	Recommendations agreed and formally referred to Cabinet
8 February 2022	Cabinet	Cabinet will set out its response to recommendations made by the Overview and Scrutiny Committee
1 March 2022	Full Council	Final budget setting

7. Contribution to Strategic Outcomes

7.1 The budget scrutiny process has contributed to each of strategic outcomes relating arising from the Borough Plan 2019-23.

8. Statutory Officers Comments

Finance

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

Legal

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

Equality

- 8.4 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 8.5 The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
- 8.6 The proposals in the draft Medium Term Financial Strategy are currently at a high level and will be developed further as service changes and policy changes are progressed. Equality impact assessments will be developed as part of this process.
- 8.7 The Committee should ensure it addresses these equality duties by considering them within its work. This should include considering and clearly stating;
- How specific savings / policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;

- Whether there is equality of access to services and fair representation of all groups within Haringey;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

9. Use of Appendices

Appendix A. – List of Comments and Recommendations from Budget Scrutiny Process

Appendix B. – 2022-23 Budget and 2022-2027 Medium Term Financial Strategy: Report to Cabinet 7th December 2021

10. Local Government (Access to Information) Act 1985

10.1 Background papers:

- New revenue growth proposals (Cabinet 7th December 2021): [Appendix 2 New Revenue Growth Proposals.pdf \(haringey.gov.uk\)](#)
- 2021/22 Quarter 2 Finance Update Report - Cabinet 7th December 2021 [Q2 Finance Update Report Cabinet 7 Dec 21 ver1.0 FINAL.pdf \(haringey.gov.uk\)](#)

Appendix A

Budget Scrutiny Recommendations

Housing and Regeneration Panel – Economy Priority				
Ref	MTFS Proposal	Further info requested	Comments/Recommendation	Cabinet Response Req'd (Yes/No)
<u>Capital Budget</u>				
N/A	Appendix D - New Capital for 2022/23 MTFS Programme. Civic Centre Annex		That Cabinet provide further detail on how the Civic Centre project fits into the Council's wider accommodation strategy, including the future use of the Station Road estate.	Yes
429	Site Acquisition (Tott & Wood Green). Wards Corner Market		That Cabinet provide clarity around what provision there is for any potential future contribution to this scheme regarding investment in the long term future of this site, following the withdrawal of Grainger. The Panel notes that this site will require significant investment and that TfL have, to date, only committed to invest enough funding to make the site safe. Further investment will be required to make the market site viable.	Yes

429	<p>Site Acquisition (Tott & Wood Green).</p> <p>CPO – Wards Corner</p>		<p>The Panel recommends that if the funding earmarked for the CPO were to remain in the capital budget, and if the Council is minded to carry out the CPO without Grainger, then this allocation should be used for maximum provision of council homes at council rents.</p> <p>The Panel request assurances from Cabinet that this future outcome for the site will be fully considered.</p>	Yes
N/A	HRA Capital Budget	<p>Further information/written clarification is requested around why borrowing constitutes such a significant proportion of the HRA, particularly in Years 1, 2 & 5. The Panel would like assurances that the borrowing costs are sustainable and that the Council is not at risk of being unduly impacted by any future rise in the cost of borrowing.</p> <p>RESPONSE:</p> <p>Borrowing is one of several sources of funding capital investments in the HRA. The HRA financial plan have been developed to apply borrowing after all other sources of incomes (such as</p>		

		<p>grants, market sales receipts, etc) have been recognised.</p> <p>In the earlier years, where capital investments, are huge, it is expected that the level of borrowing will be higher. Grants are recognised 50% start-on-site and 50% on completion. Market sales receipts are recognised after completion. These all play part in the profiling of the borrowings. In developing the financial plan, we have assumed a minimum interest cover ratio of 1.25. A metric adopted by Housing Associations and most Local Authorities, to ensure that we have adequate funds to cover payment of interest on our borrowings. This plan has been built with the assurance that year on year there is enough cover for the levels of borrowings proposed in the financial plan. A 1.25 interest cover means that we have adequate provision to cover the interest payment, year on year, and still have 0.25 contingency.</p>		
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		Our future interest rates assumptions are based on information available at this time and information from our treasury advisers. The HRA financial Plan is constantly being reviewed (quarterly)- if there are changes in the interest rates in the future, the plan will be revisited. We have built in some level of prudence but cannot for sure guarantee what happens with interest rates in the future.		
Environment and Community Safety Panel – Place Priority				
Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd (Yes/No)
N/A	General comment		The Panel are broadly supportive of the budget proposals and welcome the level of investment into the borough. The Panel are particularly pleased to see the long overdue investment into the maintenance of the boroughs drains and road gullies, and a commitment that	No

			every drainage asset in the borough would be cleaned at least once a year.	
<u>New Capital Growth Proposals</u>				
	Tree Planting - Street & Greenspace Greening Programme.		The Panel welcomes the commitment to invest in its tree stock and noted the aim of achieving a net neutral position. The panel would like to see additional investment in this area, above the £75k per year, rising to £100k per year with match funding that has been allocated. Cabinet should make firm commitment to a net increase in the number of trees in the borough, particularly in light of the historic decline in tree numbers over recent years due to an underinvestment in this area.	Yes
	Tree Planting - Street & Greenspace Greening Programme.		The Panel would also like a commitment from Cabinet that the existing inequities in tree coverage across the borough will be addressed. The Panel noted that the overwhelming number of sponsored trees to date were in the west and centre of the borough. Cabinet Should commit to ensuring that the east of the borough is prioritised when planting new trees.	Yes

			Cabinet should also make a specific commitment that low levels of tree coverage in wards such as Tottenham Hale and Bruce Grove will be addressed.	
	Upgrade Parks Lighting		<p>That Cabinet provided assurances that areas of lighting in parks where sections of the park are lit, whilst others are in shadow are looked at as part on the investment in improved lighting. It was felt that this could create a false sense of security for people travelling through parks at night.</p> <p>The Panel would also like assurances that preservation of wildlife habitat will be considered when determining lighting requirements in our parks and open spaces.</p>	Yes
	Road Casualty Reduction		<p>The Panel notes that a large proportion of the active travel schemes proposed are unfunded at present and would like assurances that funding for these schemes will be pursued.</p> <p>As part of the Road Safety Strategy, the Panel would like to see additional investment into active travel, with a particular focus on improving cycling infrastructure.</p>	Yes

	Highways Asset Maintenance Programme.	That Panel request clarification on the funding for this proposal. The bid is funded by council borrowing for the first year 2022-23. Thereafter it has been assumed that there will be grant funding available to undertake this work. How robust is this assumption of further funding? (Response to follow.)		
Adults and Health Scrutiny Panel – People Priority				
Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd (Yes/No)
N/A	General issue	The Panel noted that, despite revenue growth proposals set out in the agenda pack, the revenue budget for Adults would reduce from £83.208m in 2021/22 to £82.164m in the draft 2022/23 budget. The Panel requested a breakdown of the different elements of the revenue budget, including previously agreed savings and growth funding, in order to illustrate the reasons for the decline in the revenue budget. (Response to follow.)		

N/A	General issue		The Panel expressed concerns about the significant future increase in interest repayment costs to the General Fund (shown to reach over £29m by 2026/27 according to Table 8.8 on page 34 of the Dec 2021 Cabinet report) caused by the projected rise in capital investment. The Panel requested that Cabinet provide an assessment of the risk associated with the increase in the proportion of financing costs to the net revenue stream over the MTFS period.	
<u>MTFS Savings Tracker – 2021/22 to 2025/26</u>				
N/A	General issue		The Panel expressed concerns about whether the targeted savings for 2021/22 would be achieved by the end of the year and recommended that further analysis should be provided to demonstrate how this would be achieved.	Yes
AS101/AS102	Fast Track Financial Assessments/Client Contributions		The Panel was concerned that the savings expected in 2021/22 were too high and recommended that the savings should be spread over a longer period within the MTFS. The Panel suggested that a smaller saving in 2021/22 would have allowed for the impact on residents to be properly assessed before the	Yes

			<p>remainder of the savings were implemented in future years.</p> <p>The Panel also recommended that an analysis of the impact of the savings so far on residents and the associated risks should be carried out to ensure that this was not causing financial difficulties for individuals and their families.</p>	
<u>Draft Capital Programme – 2022/23 to 2026/27</u>				
201	Aids & Adaptations		<p>The Panel was concerned about the significant delays experienced by residents in the installation of aids and adaptations and the consequent impact of this on health and well-being. The Panel noted that this service was funded externally from the Better Care Fund but appeared to be under-resourced. It was also noted that the amount of money available appeared to be the same each year in the MTFS with no increases to keep pace with inflation. The Panel recommended that the Cabinet give consideration about whether the funding in this area is sufficient to meet the needs of local residents and, if not, what steps could be taken to increase the resources available for this including</p>	Yes

			from external sources such as the Better Care Fund.	
214	Osborne Grove Nursing Home	The Panel commented that the total costs for this item seemed high at over £44m. The Panel requested a short summary of the reasons for the increase in the overall costs and details of any contributions from health partners towards the cost of the project. (Response to follow.)		
<u>Format of reports</u>				
N/A	Budget briefings for Panels		The Panel noted that the briefings in advance of the budget scrutiny meetings had included a lot of detail on Q2 of 2021/22 and on the performance indicators. The Panel recommended that in future years, briefings on these matters should be received separately and that the pre-budget briefings should concentrate on the following year's draft budget and the updated MTFS.	Yes
N/A	Format of reports		The Panel noted that the reports in the budget scrutiny agenda packs included information about the budget areas for all Panels. The Panel recommended that the main budget report provided to	

			<p>each Panel should be tailored to only include the information relevant to the policy area of that Panel as this would make the information easier to review. While the Cabinet report on the budget (which covered all policy areas) could still be included as an appendix, the key information for each Panel should be included in a separate report in the agenda pack.</p> <p>The Panel also recommended that risk factors associated with the budget should be highlighted in the budget report to the Panels.</p>	
Children and Young People’s Scrutiny Panel – People Priority				
Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req’d (Yes/No)
N/A		None.	The Panel noted concerns from Special Educational Needs and Disability (SEND) parents and carers that the explanation for the overspend in the High Needs Block of the Dedicated Schools Budget (DSB) as being mainly due to the increase in the number of children with Education, Health and Care Plans (EHCPs) might be misconstrued as apportioning blame. It	No.

			also noted assurances from the Cabinet Member for Early Years, Children and Families and officers that there was no intention to do this and that the overspend was due to structural issues arising from inadequate government funding, as referred to in the report. The Panel recommends that the language used in describing the reasons for the overspend in the High Needs Block in future documentation be modified in order to avoid the possibility of it being misinterpreted as apportioning blame on SEND families.	
N/A			The Panel noted and welcomed the commitment by the Council to engage with the community regarding the MTFs proposals. However, it was felt that attention needed to be given to how they could be made easier to understand so that they were more accessible to the wider community. This could be done through measures such as providing an easy-to-read version as Hammersmith and Fulham had done. The Panel therefore recommends that work be undertaken to improve the accessibility of the MTFs documentation to promote more effective engagement with the local community.	
N/A			The Panel recommends that a briefing be provided on the outcome of the	

			engagement undertaken as part of the MTFS process, including which stakeholders were involved and their responses to the proposals.	
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Overview & Scrutiny Committee recommendations on Your Council priority to follow.

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Report for: Cabinet 07 December 2021

Title: 2022-23 Budget and 2022-2027 Medium Term Financial Strategy

Report

authorised by : Jon Warlow, Director of Finance

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring & Thomas Skeen, AD Finance

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 General Fund (GF) Budget for 2022/23 and Medium Term Financial Strategy (MTFS) 2022/27, including estimated income (funding) and expenditure adjustments and new and revised capital proposals at a Priority level. The report recommends that budget proposals are released for public consultation and Scrutiny consideration.
- 1.2 Whilst life is returning more to normal following the pandemic, the impacts of Covid continue to be felt in our communities and by the council. Central Government funding has been received for many of the direct costs of Covid but the social impacts of the pandemic are driving high levels of need in our borough and this leads to ongoing rising demand for our services. The in year budget update is forecasting overspends on both Children's and Adults care services, a not insignificant amount of which is driven by Covid legacy issues.
- 1.3 Haringey has also seen some of the sharpest rises in the number of people claiming Universal Credit of anywhere in the UK and seen a significant rise in the number of families entitled to Free School Meals and the Council Tax Reduction Scheme. We know the cost of living rises and cut to Universal Credit will mean it will be a very challenging winter for many of our residents.
- 1.4 The approach taken to the financial planning process has been markedly different this year, planned to lead to what is now a very different kind of budget being proposed. We have been clear from the onset that we need to continue our council change agenda, particularly in light of the ongoing effects of the Covid-crisis and change in needs that that has brought about. We have also recognised that this type of change is difficult and takes time, and that the Council-wide huge exercise that is now starting to consider how the new four year borough plan should be framed will provide the essential new plan for that change. Our 2022/23 budget strategy also allows us to better focus on the delivery of the next year of our already agreed savings strategy, which in itself represents £12m.

- 1.5 Our strategy therefore has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan, which means that next year's MTFS will be pivotal in this. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the timescales that would be associated with such future change.
- 1.6 This planned approach to our multi year financial planning, coupled with a short term improvements in the assumable level of government grant funding, allows a draft budget for next year which addresses essential budget growth requirements totalling of £11.8 in 2022/23 across most parts of the organisation, over and above that already assumed in the existing MTFS. This strategy does require a short term use of balances in the 22/23 financial year to make this possible.
- 1.7 This considered use of one-off funding will enable the Council to have more time and space to determine the new programme of change required to address the structural c. £20m gap in the medium term, which will align with the launch of the Council's new Borough plan.
- 1.8 The revenue growth within this budget will address, not just the pressures in our main demand led services (Adults, Children's and temporary accommodation), but also bolster budgets where necessary to ensure that we are a sustainable, stronger and fit for purpose organisation in the best position to tackle the sizeable change required to meet the structural funding gap in the medium term. The priorities that have framed this budget are:
- Ensuring that we can meet the growing need of our most vulnerable residents – through substantial additional investment in children's and adult's services; and in resources for the provision of temporary accommodation and with our partners investing in earlier intervention and early years.
 - Enhances support for women and girls impacted by domestic abuse and other forms of violence
 - Supports our ambitious plan to play our part in tackling the climate emergency
 - Invests where necessary to ensure we are a sustainable and fit for purpose organisation able to deliver the high-quality services our residents, businesses and partners expect, with co-production running through everything we do
 - Invests for the long term in our public realm including roads, pavements and parks; our schools and young people's services; and our Civic Centre.
- 1.9 Included within this £11.8m is funding for:
- Significant investment to support vulnerable residents, with over £6m in our demand led budgets in Children's and Adults Social care and Temporary Accommodation.
 - Investment in our Violence Against Women and Girls agenda of £0.6m
 - Investment in our climate and physical environment with increased funding of £0.5m for proactive tree maintenance, and £0.3m investment in highways drainage cleansing and maintenance

- Ensuring we remain a sustainable and fit for purpose organisation
Investment of over £1m in our back office functions such as legal, information governance, procurement and social care commissioning to ensure we are able to support and enable the organisation
 - Recognising the strategic importance of coproduction and participating with investment of £0.1m in this area.
- 1.10 The draft Budget incorporates the Council's current best estimate of the implications of the Spending Review 2021 (SR21) and highlights the key risks that could impact upon the financial plans now proposed. The detailed funding allocations will be announced in the Local Government Funding Settlement after this report is published. Variations from the current assumptions will be taken into consideration before the Final Budget for 2022/23 and Medium Term Financial Strategy (MTFS) 2022/27 are considered by Cabinet, including its response to the consultation, and Full Council for ratification in March 2022.
- 1.11 The SR21 provides some level of financial improvement to this and other authorities for next year's budget however, beyond 2022/23 the majority of funding remains cash flat. This means that for 2023/24 and 2024/25, increasing their Council Tax level is the only means by which local authorities, including this council, can generate more corporate funding to protect services and respond to demand led growth. 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 1% (the maximum allowed by Government), which give a total Haringey Council Tax charge increase of 2.99% for 2022/23, with the same assumptions built into the draft MTFS for the following two years for modelling purposes. This proposed increase for 2022/23 forms part of the budget consultation.
- 1.12 The Council's fees and charges have been reviewed and are dealt with elsewhere on this meeting agenda, however in summary there are no new significant charges proposed as part of this draft budget report, the default position will be that fees and charges will increase in line with inflation (3.5%), except where there are good reasons to depart from this.
- 1.13 The Council always maintains a five year future forecast of its finances via its MTFS. After the above assumptions it is still forecasting a gap of circa £10m for 2023/24 after the forecast application of £4m reserves; then increasing to nearly £25m by the end of the MTFS period. This points towards a demanding 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 future 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 Our capital programme also provides important opportunities to address our communities' needs, however the Council's finances are tightly constrained, so affordability is a key consideration when additions are made to this. The report also sets out proposed additions to the current General Fund Capital Programme totalling over £102m (£27m in 2022/23) including funding for:

- Investment to support our most vulnerable young people with £6.2m for residential care provision in Children's Social care
 - Investment in our climate with over £0.5m investment in wildflower meadow and tree planting
 - Ensuring we remain a sustainable and fit for purpose organisation with £9m investment in digital projects and a new data centre
 - Significant ongoing investment in our public realm with over £3m investment in parks and park assets, £2.4m in the New River Sports Centre, £28m investment in roads and highways assets, and £30m investment to secure the future of the Civic Centre and bring this back into use as the Council's primary office location
- 1.16 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 Dedicated Schools Grant (DSG) grant announced for 2022/23 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 working with small numbers of authorities with the most significant HNB overspends each year to address their HNB positions (Haringey's level of overspend does not presently make it eligible to join this cohort), however this will not address the systemic pressures faced by large numbers of authorities including Haringey.
- 1.17 The report includes the draft Housing Revenue Account (HRA) revenue budget and HRA Capital programme, including the future years' 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. The Council has the ability under the social housing rent standards to increase rent by no more than September CPI plus 1%. Given that the CPI at September 2021 is 3.1%, rents in council-owned housing stock would increase by no more than 4.1% (CPI plus 1%) from 4 April 2022 (the first Monday in April).
- 1.18 The 2022/23 Budget and 2022/27 MTFS will continue to be refined between now and mid-February when the final plans will be presented to Cabinet for consideration before recommending to Full Council on 1 March 2022 for ratification. This report will include the detailed implications of the local government funding settlement figures and the Cabinet's response to consultation.
- 1.19 The developments most likely to impact on the final 2022/23 Budget plans presented in this February report are:
- further clarity on the funding announcements contained within SR21
 - 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 other major developments or significant change in current assumptions impacting on the organisation's budgets including further responses required to the Covid-19 pandemic

2. Cabinet Member Introduction

- 2.1 The Council's approach to its annual budget setting has been markedly different this year, reflecting the fundamentally changed environment we operate in as we recover from the pandemic. Our communities will continue to feel the ongoing effects of the pandemic for many years to come, and this will translate into increased demand for our services on many fronts, but particularly in our demand led areas (Children, Adults and Temporary Accommodation). Taking into account this increased demand, our funding position looking forward will remain challenging, and we are therefore clear that the Council will need to progress a change agenda to ensure we continue to best support residents in a financially sustainable way. We have therefore adopted a strategy which makes calculated investments in key priority service areas and will enable the Council to focus on developing its change agenda for delivery in future years, which will align with the launch of the Council's new borough plan.
- 2.2 Whilst the spending review announcements in October did announce some additional funding for the sector, and which we assume will be of benefit to Haringey as is set out in this report, the level of this is in no way anticipated to allow the Council to set a balanced budget in future years without the need for further savings to be delivered. This follows on from a decade of austerity measures, and in the new context of rising demand for our service post the pandemic, exacerbating the financial challenges we face.
- 2.3 The spending review also made clear that the sector as a whole will have no new additional funding for the 23/24 and 24/25 financial year, besides that which is raised from local taxpayers from business rates and Council tax. It is disappointing that the Council will not be able to anticipate any increased core government grant funding for the second and third years of our MTFs.
- 2.4 As part of this budget the Council proposes to raise Council tax by 2.99% (which includes an adult's social care precept increase of 1%). The increase for a Band D property (excluding the GLA element) will be 83 pence per household per week, and we continue to have a comprehensive Council Tax Reduction Scheme that means that over 16,000 residents pay no Council Tax at all. 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 our support and services for the most vulnerable in our borough. We do not believe that this is the right thing to do.
- 2.5 In summary, I am pleased to be able to present here the Draft 2022/23 Budget and 2022/23-26/27 MTFs: despite unprecedented organisational challenges we have adopted a realistic budget strategy, to support the work of the Council.

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 2022 and also to incorporate further budget changes as required;
- b) Note the Draft General Fund 2022/23 Budget and MTFS (2022-27) detailed in this report and Appendix 1;
- c) Note the Draft revenue and capital budget growth proposals summarised in Sections 7 and 8 and Appendices 2 and 5;
- d) Note the Draft General Fund Capital Programme for 2022/23 to 2026/27 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 2022/23 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 2021 and January 2022 for scrutiny and comments;
- h) Agree to commence consultation with residents, businesses, partners, staff and other groups on the 2022/23 Budget and MTFS 2022-2027;
- i) Note that an updated 2022/23 Budget and MTFS (2022-27) will be put to Cabinet on 22nd February 2022 to be recommended for approval to the Full Council meeting taking place on 1st March 2022;
- j) Delegate the final decision on whether or not to participate in the proposed 8 borough business rates pool from 1 April 2022 to the Director of Finance in conjunction with the Lead Member for Finance.

4. Reasons for decision

- 4.1 The Council has a statutory requirement to set a balanced budget for 2022/23 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 2022/23 Budget and sustainable MTFs over the five-year period 2022/27, to be reviewed and ultimately adopted at the meeting of Full Council on 1st March 2022.
- 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, the estimated impact of wider environmental factors such as the Covid-19 pandemic 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. Background information

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

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

- 6.2 The following paragraph provides an update on the Spending Review 2021 (SR21) including current assumptions about the pending Provisional Local Government Finance Settlement, which is not expected to be received until mid December, after the publication of this report.
- 6.3 This is then followed by a section on each of the main sources of funding which set out the assumptions made in this draft 2022/23 Budget & MTFs.

SR21 and Local Government Finance Settlement 2022/23

- 6.4 On 27 October 2021 the Chancellor delivered the Spending Review 2021 (SR21) and the Autumn Budget. The latter set out the Governments' taxation and public expenditure plans for the year ahead, and SR21 confirmed departmental resource and capital budgets for the three years 2022-23 to 2024-25 and Devolved Administration's block grants for the same period. For the previous two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the COVID-19 pandemic.
- 6.5 The published Autumn Budget and SR2021 document is laid out across the following key themes:
- Investing in growth
 - Supporting people and businesses

- Building back greener
- Levelling up
- Advancing Global Britain
- Seizing opportunities for Brexit

6.6 The Government also announced its top priorities in the SR21 to where much of the additional funding has been allocated which includes:

- **Health & Social Care** - with SR21 reconfirming previous commitments on a new Health and Social Care Levy and confirming £4.2bn over the next three years for 40 new hospitals and over 70 hospital upgrades.
- **Education** – SR21 confirms an additional £4.7bn by 2024/25 for the core schools' budget in England, over and above the SR19 settlement for schools. In addition, SR21 makes available £2.6bn over the period for new school places for children with special educational needs and disabilities (SEND) in England.
- **Housing** – SR21 reconfirms previous announcements on the Affordable Homes Programme (£7.5bn across SR21) and remediation to the highest risk buildings with unsafe cladding (£3bn across SR21); and also provides £639m in funding by 2024/25, a cash increase of 85% compared to 2019/20, as part of the government's commitment to end rough sleeping.
- **Criminal justice** – SR21 provides an extra £540m by 2024/25 to recruit the final 8,000 police officers to meet the government's commitment of 20,000 additional officers by 2023; and provides funding for an additional £785m in 2024/25 to manage the increased number of offenders being brought to justice and reduce waiting times in the criminal courts.
- **Local government** – providing a multi-year settlement and an average real-terms increase of 3% a year in core spending power.

6.7 The UK's economy and public finances have recovered faster than expected in the Office for Budget Responsibility's (OBR) November 2020 and March 2021 forecasts. The vaccines' effectiveness, combined with consumers and businesses adapting to public health restrictions has led to upwards revisions on overall output. GDP is expected to grow by 6.5% in 2021. However, the rebound in demand has been met with supply constraints driven by changes in migration and trading in the context of Brexit, thus leading to higher prices and pressure on wages.

6.8 CPI inflation has risen sharply from 0.9% last year to an expected peak of 4.4% in the second quarter of 2022. This is then likely to fall and stabilise around the MPC's 2% target from 2024 onwards. Unemployment is set to peak at 5.5% in the fourth quarter of 2021, thereafter, it is set to drop and stabilise at around 4.2 in the medium-term, still higher than the pre-pandemic levels.

6.9 The funding allocations to Local Government are summarised in the following two tables. The first shows Core Spending Power (CSP), which includes core grants, business rate income and council tax. The latter shows Local Government Departmental Expenditure Limits (DEL).

Core Spending Power

Table 2 – Local Government Core Spending Power (cash values)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Cash change (2021-22 to 2024-25)	Real terms change (2021-22 to 2024-25)
CSP	46.2	49.1	50.4	53.7	56.6	58.9	8.5	4.7
Annual change £bn		2.9	1.3	3.3	2.9	2.3		
Annual change %		6.3%	2.6%	6.5%	5.4%	4.1%	5.3%	3.0%

- Core Spending Power for local authorities is estimated to increase by **£8.5bn** from **£50.4bn** in 2021-22 to **£58.9bn** in 2024-25 - an average of **3% p/a** in real terms (5% in cash terms). (NB - this includes assumptions about council tax which won't be confirmed until the PLGFS in December).

Local Government DEL

Table 3 – Local Government DEL (cash values)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Cash change (2021-22 to 2024-25)	Real terms change (2021-22 to 2024-25)
Underlying LG DEL	7.5	8.6	9.1	9.0	9.1	9.1		
Total LGDL Growth				1.8	3.0	3.6		
o/w ASC reform				0.2	1.4	2.0		
o/w Other growth				1.5	1.5	1.5		
o/w Supporting Families				0.04	0.07	0.09		
o/w Cyber Resilience				0.01	0.01	0.01		
Total LG DEL	7.5	8.6	9.1	10.8	12.1	12.7	3.6	2.8
Change £bn		1.1	0.5	1.7	1.3	0.6		
Change %		14.7%	5.8%	18.7%	12.0%	5.0%	11.9%	9.4%

- DLUHC civil servants have confirmed the figures in the LG DEL in Table 3 above, which includes:
 - **£4.8bn of new grant funding** (averaging £1.6bn per annum) over the SR21 period
 - **£3.6bn of funding as part of the adult social care reforms** (see next section)
 - **£200m for the Supporting Families programme** (rising from £40m to £90m by 2024-25).
 - **£38m for cyber security challenges**, cyber resilience, and data protection.

6.10 The announcements in the SR21 which are more pertinent to setting the 2022/23 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.

6.11 The government stated that all departments would receive real terms funding increases over the 3 years with local government receiving an average real terms increase of 3% per annum. This increase is based on calculated core spending power (CSP) which includes core grants, business rate income and council tax. The increase in CSP is largely driven by three factors:

- £4.8bn new grant funding averaging £1.6bn per annum. Some of this is assumed to fund the change to employer national insurance contributions and,

due to the funding profile, only improves our spending power in Year 1 of the MTFS;

- £3.6bn new grant funding for Adults Social Care changes. This will not be a budget betterment for local authorities as it will be required to cover new costs (in particular reduced income). This is the main driver of 'spending power increases' in Years 2 and 3;
- Council Tax and Adults Social Care Precept (ASC) increases, funded by local residents.

6.12 Overall, the stated 'increase in core spending power' only partially improves Haringey's budget position and it should be noted that in years 2 and 3 of the MTFS the real betterment is all driven by increased Council Tax assumptions.

6.13 The referendum threshold for increases in council tax will remain at 2% for 2022/23 which is in line with the existing MTFS. Additionally, the SR21 announced that local authorities will be able to levy a 1% adult social care precept in each of the 3 years of the SR. Full details of the council tax referendum principles and adult social care precept flexibility will be provided in the Provisional Local Government Finance Settlement along with detailed allocations of most grants.

6.14 The SR21 made announcements for all government departments some of which is likely to impact Haringey although at this point, it is not possible to make any firm assumptions about the financial impact for Haringey and any changes arising from these will need to be reflected in the March 2022 report.

6.15 In summary, the sectoral view is that SR21 did not address existing or future demand led social care pressures nor did it proffer any solution to the national DSG High Needs Block position (besides new capital funding for SEND). There was no mention of any further direct C19 funding for local government although it did confirm the freezing of the multiplier in 2022/23 along with a new temporary relief directed at retail, hospitality and leisure. Finally, there were no announcements made about the wider funding reform including the expected significant changes to the business rates system.

Business Rates

6.16 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.

6.17 The intention was for business rates baselines to be reset from April 2020 however, both SR19 and SR20 confirmed annual delays. The last formal announcement was for a reset in April 2022. While the SR21 was silent on this point the wider local government sector expects another postponement and this has been modelled in the current draft budget with the expectation that S31 grants continue at a similar level to 2021/22. As Haringey is a top up authority, even if this assumption proves incorrect, it is expected that a similar level of

funding will accrue from a redistribution of business rates income in the form of additional/alternative grant.

- 6.18 The Council participated in the London Pool for three years (2018/19 – 2020/21). London chose not to continue the Pool in 2021/22 due to the significant impact that the C19 pandemic had had on the business community and therefore forecast revenues. A London-wide pool for 2022/23 was modelled but wasn't able to make a sufficiently robust economic case for taking forward. However, the Council has been invited to be part of a smaller 8 London borough pool, which as an initiative is still at a developmental stage, but work to date does suggest a much-improved risk reward profile than the previous London wider pool. The decision to proceed or not does not need to be taken until 28 days after the publication of the provisional local government finance settlement when all parties will have the full funding details not announced at SR21. It is therefore proposed that the final decision to participate in the pool is delegated to the Director of Finance and Lead Member. Given the uncertainty over the actual financial benefit, and indeed if the pool will actually proceed, nothing has been built into the Budget/MTFS model which is a prudent approach.
- 6.19 Currently, the MTFS assumes a 1.9% increase in business rates income, including RSG, across the MTFS period.
- 6.20 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.
- 6.21 The estimated mandatory reliefs applied to Haringey businesses are c. £4.0m in 2022/23. These reliefs cover, among others, discounts for small businesses and will be fully reimbursed via Section 31 Grants by Central Government.
- 6.22 SR21 announced a continuation of the freeze to the business rates multiplier in 2022/23. The Council will be fully reimbursed for this via a Section 31 grant. The final figures will be reflected in the February report.
- 6.23 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 Income Forecast	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Revenue Support Grant	22,115	22,118	22,561	23,012	23,472	23,941
Business Rates Top Up	58,412	61,695	62,915	64,134	65,416	66,724
Retained Business Rates	22,137	21,218	21,642	22,291	22,737	23,192
NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
S31 Grants / Redistributed Growth Funding (post reset)	6,515	4,000	4,000	4,000	4,000	4,000
Share of Pool Growth	-	-	-	-	-	-
Total	108,954	108,807	110,892	113,437	115,625	117,857

6.24 There continues to be uncertainty around the business rates regime beyond 2022/23 although SR21 and recent announcements suggest that no large-scale amendments to the model as it exists are to be expected. However, a date for the business rate baseline reset is still to be confirmed as is the outcome of the Fair Funding Review. This will impact on business rates as it derives each authority's baseline funding against which growth is measured.

6.25 Because of the uncertainty beyond 2022/23, the assumptions in Table 6.1 and their impact on the MTFs are open to significant risk.

Council Tax

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

- A 1.99% increase in Council Tax in 2022/23 and for each subsequent year is assumed (subject to the referendum limits set by Government)
- A 1% increase in ASC Precept for 2022/23 to 2024/25 inclusive, as announced in the SR21
- The tax base is forecast to grow by 3.5% in 2022/23 after a budgeted reduction of 1.5% in 2021/22 due to assumptions about the negative impact on the building trade caused by the C19 pandemic. 1.5% is assumed in 2023/24 whereafter assumed growth returns to 1% pa to the end of the MTFs planning period
- The collection rate is now assumed to improve to 95.75% for 2022/23 and 96.0% 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 surplus was refined and reduced as part of last year's financial planning process to reflect the forecast impact of the C19 pandemic on revenues. These forecasts remain unchanged in this Budget and MTFs.

6.27 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 2022 and formal Council ratification of Council Tax Rates in March 2022.

Table 6.2 Council Tax Assumptions

COUNCIL TAX ASSUMPTIONS						
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Taxbase before collection rate	81,392	80,151	82,956	84,200	85,042	85,892
Taxbase change	-1.5%	3.5%	1.5%	1.0%	1.0%	1.0%
Taxbase for year	80,151	82,956	84,200	85,042	85,892	86,751
Collection Rate	95.50%	95.75%	96.00%	96.50%	96.50%	96.50%
Taxbase after collection rate	76,544	79,430	80,832	82,066	82,886	83,715
Council Tax increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	3.00%	1%	1%	1%	0%	0%
Band D rate	£1,441.05	£1,484.13	£1,528.50	£1,574.19	£1,605.51	£1,637.45
Council Tax Before Surplus (£000)	£110,304	£117,884	£123,552	£129,187	£133,074	£137,079
Previous Year (Estimated) Surplus	£1,925	£1,925	£1,925	£2,175	£2,175	£2,175
CIPFA Counter Fraud Income	£25	£25	£25	£25	£25	£25
Council Tax Yield (£000)	£112,254	£119,834	£125,502	£131,387	£135,274	£139,279

Grants

6.28 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

6.29 Some estimated inflationary increases are applied to the values in Table 6.3 below, however the SR 21 announced that specific grants would remain 'cash flat'. This is subject to confirmation at the Draft Local Government Finance Settlement in December and will need to be kept under review and the MTFS will be updated when further details emerge. Forecast figures for 2023/24 onwards remain uncertain and should these assumptions not materialise, it could have a significant impact on the current forecast gap across those years.

6.30 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

Original Grant Name	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'001
Better Care Fund (BCF) - (CCG Contribution)	6,017	6,047	6,138	6,138	6,138	6,138
Improved Better Care Fund (iBCF)	9,518	9,566	9,709	9,709	9,709	9,709
Social Care Support Grant	6,960	6,995	7,100	7,100	7,100	7,100
Additional Social Care Support Funding	1,766	1,766	1,766	1,766	1,766	1,766
Total	24,261	24,373	24,713	24,713	24,713	24,713

Core Grants

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

- The Local Council Tax Support Administration grant, the Housing Benefit Admin grant are assumed to be cash flat but continue across the MTFS;
- The Public Health grant is currently still assumed as cash flat across the MTFS however SR21 indicated an inflationary increase to this grant. This funding is ring-fenced to Public Health activities and the MTFS will be updated for the February 2022 report to reflect the actual allocations;
- The Council Tax Support grant ceases as this was provided purely to mitigate the impact of the C19 pandemic on numbers eligible for council tax support schemes;
- Business rates S31 grants – this has been addressed in section 6.17;
- New Homes Bonus and the Lower Tier Services Grant – the current MTFS already assumed that these grants would be phased out. This continues to be the thinking however, based on the SR21 announcements, the draft MTFS assumes that a similar level of funding will be provided along with an estimated step up of £5.5m. Until the provisional local government finance settlement is published these remain estimates. Final figures will be included in the February report.

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

Table 6.4 – Core Grants

Grant Name	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'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	20,353	20,353	20,353	20,353	20,353	20,353
New Homes Bonus (NHB)	1,208	656	0	0	0	0
Business Rates - Section 31 Grants	6,515	4,000	4,000	4,000	4,000	4,000
Council Tax Support Grant	3,606	0	0	0	0	0
Lower Tier Services Grant / NHB Replacement	756	7,464	7,464	7,464	7,464	7,464
Total	34,385	34,421	33,765	33,765	33,765	33,765

Fees and Charges

- 6.33 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.
- 6.34 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.
- 6.35 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.
- 6.36 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.
- 6.37 The impact of fees and charges increases have been included in the MTFS projections.

Use of Reserves

- 6.38 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.
- 6.39 In setting a balanced budget for 2022/23 the Council would use £5.8m of reserves which had been previously earmarked for this purpose. As part of its outturn for 2020/21 the council was able to assign £10m into the Strategic Budget Planning Reserve in anticipation of the timescales that would be associated with future budget changes. The 2023/24 General Fund forecast presently assumes that the balance of this £10m will be required in that year.
- 6.40 The March 2022 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

6.41 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	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		£'000	£'000	£'000	£'000	£'000	£'000
Table 6.1	Revenue Support Grant	22,115	22,118	22,561	23,012	23,472	23,941
	Top up Business Rates	58,412	61,695	62,915	64,134	65,416	66,724
	Retained Business Rates	22,137	21,218	21,642	22,291	22,737	23,192
	NNDR Growth	-	-	-	-	-	-
	NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
Table 6.2	Council Tax	110,302	117,884	123,552	129,187	133,074	137,079
	Council Tax Surplus	1,950	1,925	1,925	2,175	2,175	2,175
Table 6.4	New Homes Bonus	1,208	656	0	0	0	0
	Public Health	20,353	20,353	20,353	20,353	20,353	20,353
	Other Core Grants	12,825	13,411	13,411	13,411	13,411	13,411
	Total (External) Funding	249,077	259,037	266,134	274,564	280,639	286,876
	Contribution from Reserves	1,688	5,879	4,121	-	-	-
	TOTAL FUNDING	250,765	264,916	270,255	274,564	280,639	286,876

7. General Fund Revenue Assumptions

7.1 2021/22 Financial Performance – General Fund Revenue

- 7.1.1 The 2021/22 Budget Update report, also part of this Cabinet agenda, provides an update on the Quarter 2 budget position. It continues to differentiate between the General Fund (GF) direct impact of C19 on agreed budgets and MTFs savings as distinct from other base budget issues (although it should be noted that many of these base budget issues will be a consequential rather than direct impact of the pandemic).
- 7.1.2 The overall GF forecast variation from budget stands at £23.0m with £12.87m attributable to C19 and £10.2m to base budget pressures. The former has remained in the line with the forecast provided at Qtr1 and the £9.1m un-ringfenced emergency C19 grant plus other specific grants and income compensation are still expected to offset the £12.87m in full.
- 7.1.3 More worryingly, the forecast base budget pressure has increased by £5m compared to Qtr1 and now stands at £10.2m. The largest impact continues to be felt in the two care service priorities, accounting for £9m of the £10.2m; much of this appears driven by the legacy impact of C19. However, all other priority areas are forecasting pressures of over £1m totalling £15m gross. This figure is netted down to the £10.2m by expected underspends on corporate budgets, predominately interest payments due to the lag in capital programme spend.
- 7.1.4 A further, as yet unquantified potential pressure has been highlighted in the Temporary Accommodation (TA) budgets which has seen a reduction in rent collection rates.

- 7.1.5 Included within the GF forecast pressures described above is a £5.8m shortfall in MTFS savings delivery representing 55% of the total plan. Currently the relevant services have largely described these as slippage in delivery however a small number of proposals are now not thought to realistically be able to be achieved as planned largely due to the impact of C19 on the economic environment. The draft 2022/23 Budget now proposed acknowledges these forecasts and plans to re-profile £1.250m with a further £0.750m permanently written out. This position will be kept under review and will be revisited as part of the final February budget report.
- 7.1.6 Covid-19 is also expected to continue to impact on Business Rates and Council Tax (Collection Fund) income, both in year and arrears and the forecast impact has been built into the draft proposals presented in this report. The 2021/22 Budget and 2022/26 MTFS agreed last year spread the estimated business rates deficit over three years and this assumption has been reviewed and reaffirmed. It should also be noted that as part of the 2020/21 year end process bad debt provisions for all the council's key income streams were augmented to recognise as far as possible the estimated impact of C19 on individuals and businesses to fully settle their accounts with the council. With the ever increasing reliance on local tax revenues and other fees and charges to fund services a close watch will be kept on collection rates and any required adjustments to this draft Budget will be advised as part of the final budget report in February 2022.
- 7.1.7 The year end Dedicated Schools Grant (DSG) forecast continues to be in deficit against the agreed budget. At Qtr2 £6.3m is forecast, all against the High Needs Block which continues to be driven by the increasing number of Education, Health and Care Plans (EHCP) in recent years. It should be stressed that following clear guidance last year, this is not a pressure that statutorily impacts the GF however it remains a significant concern for the whole sector.
- 7.1.8 In summary, the key underlying budget pressures that have manifested during this financial year to date, which services cannot mitigate, have been taken account of and built in to the 2022/23 budget setting process.

7.2 The 2022/23 Budget and 2022-26 MTFS Strategy

- 7.2.1 The approach taken to the financial planning process has been markedly different this year, planned to lead to what is now a very different kind of budget being proposed. We have been clear from the onset that we need to continue our council change agenda, particularly in light of the ongoing effects of the Covid-crisis and change in needs that that has brought about. We have also recognised that this type of change is difficult and takes time, and that the Council huge exercise that is now starting to consider how the new four year borough plan should be framed will provide the essential new plan for that change. Our budget strategy also allows us to better focus on the delivery of the next year of our already agreed savings strategy, which in itself represents £12m for 2022/23.

- 7.2.2 Our strategy has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan, which means that next year's MTFS will be pivotal in this. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the sorts of timescales that would be associated with such future change.
- 7.2.3 The authority's advanced multi year financial planning, coupled with a short term improvements in the assumable level of government grant funding, now makes it possible to have a draft budget which, for next year, can address essential budget growth requirements totalling of £11.8 in 2022/23, over and above that already assumed in the existing MTFS across most parts of the organisation. This strategy does require the short term use of balances in the 22/23 financial year to make this possible.
- 7.2.4 Looking forward, this judicious use of one-off funding will enable the Council to achieve a stronger platform to approach the new programme of change required to address the structural c. £20m gap in the medium term, which will align with the launch of the Council's new Borough plan.

Budget Growth / Pressures

- 7.3 The main corporate assumptions across the MTFS period are outlined below followed by a section focussing on the policy priorities and service specific items.

7.4 Pay Inflation

- 7.4.1 The pay deal for 2021/22 has still to be agreed as an offer of 1.75% was rejected and put to a ballot of members. Based on this challenge and also the forecasts for inflation next financial year alongside well documented increases in cost of living, the budget available for the pay award in 2022/23 has been increased to allow for c. 3%. This falls back to c. 2% pa across the remainder of the MTFS period.

7.5 Non-Pay Inflation

- 7.5.1 The impact of inflationary increases in the demand led services is addressed as part of the overall annual demand modelling exercise. For all other non-pay inflation, the assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that some contracts include inflation-linked increases and utility costs continue to be volatile and difficult to predict an annual allowance is built into the budget to address these items should they arise. Due to the inflation forecasts provided in SR21 which suggests that RPI could reach 4.4% an increased sum has been built in for 2022/23 totalling c£2.6m. Thereafter the annual allowance returns to £1m pa.

7.6 Employer Pension Contributions

7.6.1 The outcome of the last triennial valuation, which covered the period 2020/21 – 2022/23, confirmed that the Pension Fund performance allowed for a decrease in the Council's contribution rate of 0.5% each year for those three years, equating to a saving of c. £0.5m per annum each year. No assumptions have been made about the next triennial valuation.

7.7 Treasury & Capital Financing

7.7.1 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.

7.7.2 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 March 2022 & the final Treasury Management Strategy Statement presented to Full Council later that month. Government funding announcements with further detail following SR21 may also cause some of these figures to be revisited (for example where it becomes clear that grant funding will be made available to fund certain capital schemes).

7.8 Levies

7.8.1 The current assumption is that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2021/22 figures across the period.

7.8.2 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 2021/22 budget was increased by £0.7m to address the step up for that year. No further increases were built into the existing MTFs but the Budget now presented includes a further £0.5m p.a. from 2022/23, a prudent estimate due the forecast impact of increased borrowing costs associated with the new facility which must be met by the levy.

7.8.3 The 2020/21 Levy was lower than the council's budgeted figure and it was agreed for this amount to be transferred to the council's 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 2022/23.

7.9 Policy Priorities

7.9.1 Since 2018/19, 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
- Free Schools Meals £0.3m funding in 2022/23 and 2022/23
- Welfare Assistance Scheme £0.3m funding in 2022/23 and 2022/23
- Voluntary and Community Sector – £0.25m in 2022/23 only
- Youth Services – £0.25m in 2022/23 only
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

7.9.2 Despite the significant challenges to set a balanced budget for 2022/23, £300k of policy growth has been incorporated into the draft budget and MTFS as follows:-

- Residents & Communities Engagement and Participation (£0.1m):
The pandemic emphasised the importance of residents & communities engagement and participation. This investment will enable us to further develop their involvement in local decision making, shaping the services they use and be part of co-producing the borough of the future.
- Environment/climate investment (£0.2m):
The Council is investing in the public realm and playing our part in tackling the climate emergency, and will invest our resources strategically in these areas.

7.10 Service Budget Adjustments Required

Service Growth Budget Adjustments

7.10.1 As stated above, the 2022/23 Budget process has focussed on stabilising the Council's overall position by recognising existing and newly manifested pressures, many of which are products of the pandemic and on-going structural underfunding at a national level.

7.10.2 An extensive exercise was carried out over the summer and autumn to gather data and evidence to enable informed decisions to be made about where to direct the limited resources; not all items of growth put forward were able to be accommodated however the proposed budgets are as realistic as possible.

7.10.3 The existing MTFS had a certain level of growth assumed (£8.609m for 2022/23 alone) which have been reviewed but found to still be sound.

7.10.4 The table below summarises the new service specific growth proposals highlighted as part of this year's process.

Table 7.1 – New Service Growth Budget Adjustment Proposals

	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
Adults and Health	2,409	(42)	0	2,789	2,821	7,977
Children	4,172	144	420	620	20	5,376
Housing, Regeneration & Planning	2,070	(460)	(375)	0	(30)	1,205
Environment & Neighbourhood	1,401	51	(100)	0	0	1,352
Customer, Transformation & Resources + Corporate	1,797	(500)	0	0	550	1,847
	11,849	(807)	(55)	3,409	3,361	17,757

7.10.5 As clear from the table, the service areas requiring the most growth continue to be the People related priorities of Adults, Health and Children. Some of this will be met from the application of the additional 1% ASC precept that is proposed to be levied in 2022/23.

7.10.6 However, unavoidable or demand growth has been identified in all directorates. The following provide a flavour of what this growth will be used for with the full detail set out in Appendix 2:

- Significant investment to support vulnerable residents, with over £6m in our demand led budgets in Children's and Adults Social care and Temporary Accommodation.
- Investment in our VAWG agenda of £0.6m
- Investment in our climate and physical environment with increased funding of £0.5m for proactive tree maintenance, and £0.3m investment in highways drainage cleansing and maintenance
- Ensuring we remain a sustainable and fit for purpose organisation
Investment of over £1m in our back-office functions such as legal, information governance, procurement and social care commissioning to ensure we are able to support and enable the organisation

7.11 Budget Reduction Proposals / Savings

7.11.1 The Council has previously agreed **£13.3m** of savings to be delivered across the period 2022-2026 and these are set out below.

Table 7.2 – Agreed Savings 2022-2026

Priority	Total				
	2022/23	2023/24	2024/25	2025/26	Total Savings
	£000	£000	£000	£000	£000
Housing	340	51	12	1	404
People - Adults	4,161	535	-	-	4,696
People - Children	1,679	130	230	0	2,039
Place	2,649	(1,370)	1,360	170	2,809
Economy	100	100	100	70	370
Your Council	751	6	-	-	757
Total Savings - Priorities	9,680	(548)	1,702	241	11,075
Cross-Cutting Proposals	2,250				2,250
Total Savings	11,930	(548)	1,702	241	13,325

7.11.2 No new budget reduction proposals are proposed for 2022/23 in line with the agreed financial planning strategy; instead focus has been placed on robustly challenging the existing agreed savings programme identifying where slippage might occur, how this could be mitigated and also acknowledging any savings that, largely due to wider economic conditions, were no longer deemed deliverable.

7.11.3 This review highlighted £1.250m savings slippage and £0.750m undeliverable. The impact of this has been built into the draft 2022/23 Budget but work will continue between now and the final report in February to further refine the figures.

7.12 Summary Revenue Budget Position 2022/23 – 2026/27

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

Table 7.3 – Summary Revenue Budget Position

	2021/22 Budget	2022/23 Draft Budget	2023/24 Projected	2024/25 Projected	2025/26 Projected	2026/27 Projected
Priority Area	£'000	£'000	£'000	£'000	£'000	£'000
Housing	16,102	16,939	16,888	16,876	16,875	16,875
People - Children	58,289	60,359	60,609	61,299	61,919	61,939
People - Adults	83,208	82,164	83,625	86,727	89,516	92,337
Place	23,999	22,142	23,569	22,115	21,945	21,945
Economy	6,166	7,154	6,854	6,429	6,359	6,329
Your Council	32,995	36,333	35,452	35,452	35,452	36,002
Non-Service Revenue	30,006	39,825	53,544	60,366	67,722	74,922
Council Cash Limit	250,765	264,916	280,541	289,264	299,788	310,349
Planned Contributions from Reserves	(1,688)	(5,879)	(4,121)			
Further Savings to be Identified	-	(0)	(10,286)	(14,700)	(19,149)	(23,473)
Total General Fund Budget	249,077	259,037	266,134	274,564	280,639	286,876
Council Tax	110,302	117,884	123,552	129,187	133,074	137,079
Council Tax Surplus	1,950	1,925	1,925	2,175	2,175	2,175
RSG	22,115	22,118	22,561	23,012	23,472	23,941
Top up Business Rates	58,412	61,695	62,915	64,134	65,416	66,724
Retained Business Rates	22,137	21,218	21,642	22,291	22,737	23,192
NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
Total (Main Funding)	214,691	224,616	232,369	240,799	246,875	253,112
Core/Other External Grants						
New Homes Bonus	1,208	656	0	0	0	0
Public Health	20,353	20,353	20,353	20,353	20,353	20,353
Other core grants	12,825	13,411	13,411	13,411	13,411	13,411
TOTAL (Core/Other External Grants)	34,386	34,421	33,765	33,765	33,765	33,765
Total Income	249,077	259,037	266,134	274,564	280,639	286,876

7.12.1 The draft General Fund Budget 2022/23 presently has a budget gap of £5.879m, which is expected to be covered from reserves.

7.12.2 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.

7.13 Review of assumptions and risks 2022/23 – 2026/27

7.13.1 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 March 2022 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.

7.13.2 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.

7.13.3 The main uncertainties and risks identified to date which may impact on the Council's budget for 2022/23 and over the period of the MTFS are:

- Funding assumptions for 2022/23 are subject to the final local government settlement expected in January 2022 and therefore there may be changes; at this point we have yet to receive the provisional figures which places more risk on the current assumptions.
- On-going uncertainty about the final impact of the Covid-19 pandemic on 2021/22 budgets and also future years.
- The ongoing economic impacts of Brexit may continue to put pressure on costs and increase inflation; staffing in critical social care & health services, on local tax income levels
- Uncertainty over whether the London wide business rates pool will be reconstituted from 2023/24 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 to be funded by general fund resources
- The expected Fair Funding Review and redesign of the Business Rates Retention scheme did not complete during 2021/22 as expected. The impact on funding for the Council on the eventual outcomes of both are not known at this time although these could be overtaken by the Levelling Up agenda and associated funding distribution methodologies
- Increases in London Living Wage, or the minimum wage impacting the Council directly or through contracted spend 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. Conversely, in the immediate term, falls in numbers of families with children living in the borough are creating ongoing pressures for schools which are funded on a per pupil basis from the Government.

- 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 2021/22 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 2022/23 – 2026/27

8.1 Introduction

8.1.1 This is the fourth capital strategy report that has been prepared since it became a mandatory requirement upon local authorities. 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 deliverability of the Council's capital strategy, but the council has responded to the new challenges. In particular the capital programme for 2021/22 has continued 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 and works around school streets to make them safe. Despite the pandemic significant works have been undertaken to 8 schools and Pendarren.

8.1.3 Looking forward the Council's capital investment proposals include continued investment in the school estate, new investment in creating an in-borough Children's residential care provision, and increased investment in the infrastructure of the borough's parks and streets. Historically the Council received significant funding from TfL to support the highways of the borough. The pandemic hit TfL's finances hard, and it has not been able to provide the same level of support to boroughs. The Council's proposals allow for funding of the type of work previously funded by TfL in 2022/23 to be met by Council borrowing. In future years it has been assumed that external grant will be available to fund these works, in line with announcements made at SR21.

8.1.4 The Council has an accommodation strategy that is responding to the new ways of working and service demands. The strategy assumes that it will consolidate the Council's offices into the Civic Centre. This would be achieved through the necessary refurbishment of the Civic Centre and the creation of a new annex. There is also further investment in property to enable the Council to

maximise the value of its property on Station Road. It is anticipated that investment in the annex will generate savings that will pay for the investment.

- 8.1.5 The Council is also investing in its digital offering to ensure that our customers receive the best possible service.
- 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.

Background

- 8.1.7 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.
- 8.1.8 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 locality provision); and deliver fit for purpose schools. The Council continues to plan for its use of capital expenditure to positively impact people's lives.
- 8.1.9 The key objectives for the Council's capital programme are to deliver the outcomes described in the borough plan and assist the Council in meeting the financial challenges that it continues to face. However, affordability is also a key consideration, as investment in capital schemes which requires the Council to borrow to fund the schemes impacts on Council revenue budgets.

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, and 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 2022/23-2026/27 which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives and to improve people's lives.

Table 8.1: Capital expenditure plans overview 2022/23 - 2026/27

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	Total (£'000)
Previously Agreed							
General Fund Account (GF)	288,854	190,863	150,613	120,687	67,469		818,485
Housing Revenue Account (HRA)	277,033	346,575	334,086	375,571	222,787		1,556,052
Total =	565,887	537,438	484,699	496,258	290,256		2,374,537
Proposed							
General Fund Account (GF)		233,320	214,368	158,079	101,153	23,519	730,439
Housing Revenue Account (HRA)		397,264	356,920	276,158	213,540	197,193	1,441,075
Total =		630,584	571,288	434,237	314,693	220,712	2,171,514

- 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 are not self-financing. These schemes largely reflect the statutory duties of the council. In large part these schemes are not able to attract 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 2022/23-2026/27 the Council is planning to spend £92.9m on schools, of which approximately £28.9m is funded through government grant leaving a borrowing requirement of £64m. The majority of the cost of the increased investment in schools falls on the Council's revenue account through increased borrowing costs.
- 8.2.7 The Adults Services capital programme is £72.8m, the majority of the programme is self-financed at £56m. In addition there is £13.9m grant funded expenditure.

- 8.2.8 Within the Place priority the proposed capital programme for the period 2022/23-2026/27 is broadly estimated at £103.6m of which approximately £30.7m is externally funded.
- 8.2.9 The Economy capital programme has an estimated value of £367m, of which £133.5m is funded externally and £184.2m is self-financing. Council borrowing in this part of the capital programme is proportionately lower than in others at £49.3m. 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.
- 8.2.10 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.
- 8.2.11 The General Fund Housing programme has no schemes that rely on borrowing as they are all self-financing.
- 8.2.12 The Your Council capital programme is estimated at £92.1m with the majority, £59.7m funded through borrowing. £43.3m of this borrowing relates to the asset management function of the Council and the Civic Centre refurbishment, with investment of £15.4m in ICT to improve services.
- 8.2.13 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.
- 8.2.14 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 borrowing 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 case that supports the investment and identifies reductions in expenditure.
- 8.2.15 Services 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.
- 8.2.16 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

	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	Total (£'000)
People - Children's	25,421	26,694	24,671	14,301	1,831	92,916
People - Adults	17,956	40,474	8,515	3,471	2,377	72,794
Place	25,594	22,445	20,688	18,988	15,861	103,576
Economy	131,619	101,474	81,306	52,643	0	367,042
Housing (GF)	1,000	1,000	0	0	0	2,000
Your Council	31,731	22,281	22,900	11,750	3,450	92,112
Total General Fund (GF)	233,320	214,368	158,079	101,153	23,519	730,439
Housing (HRA)	397,264	356,920	276,158	213,540	197,193	1,441,075
Overall Total	630,584	571,288	434,237	314,693	220,712	2,171,514

8.2.17 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the December 2021 Cabinet), plus the new schemes proposed. It also indicates how each scheme is financed.

8.2.18 Appendix 5 provides details of the new schemes proposed. The following paragraphs provide a high-level description of each priority's new capital proposals.

8.2.19 Children's Services

There is one new scheme proposed for Children's Services and that is for the creation of an in-borough residential centre. This would provide high quality provision at a lower cost. The site or sites for the provision have not been identified at this time. The scheme is included in the capital programme as self-financing.

Adult Services

The continued focus of the Adults Services capital programme is to enhance the lives of disabled and older adults. The 2021/22 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.

8.2.20 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 parks to provide greener and more comfortable spaces. The programme also allows for the continuation of investment in street lighting and borough roads. The funding for the highways scheme and the accident reduction scheme are included in the programme as being funded by Haringey borrowing in 2022/23. In future years it has been assumed that there will be external funding provided to undertake the works, in line with announcements from SR21 about national funding for works for highways, potholes, resurfacing and bridges.

8.2.21 Economy

The new proposal, in relation to the HALS service and builds on this existing programme of funding of the Good Economy Recovery Plan.

8.2.22 Your Council

The initial proposals contain significant investment in Council assets and services. There is a new proposal for an annex to the Civic Centre which will consolidate most all Council offices onto one site and at the same time allow for new uses for the buildings on Station Road. The proposals also have significant investment in IT systems and infrastructure to ensure that the customer experience is as good as it can be.

8.2.23 Financing

All capital expenditure must be financed from either an external source (government grant or other contributions), the Council's own resources (revenue, reserves or capital receipts) or 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 wherever possible. The draft capital programme for 2022/23-2026/27 is analysed in the table below and shows that the majority of schemes being proposed (68%) are either self-financing or funded via external resources:

Table 8.3: Financing Strategy

	General Fund Borrowing		External (£'000)	Total (£'000)
	Met from General Fund (£'000)	Self-Financing met from Savings (£'000)		
People - Children's	57,808	6,200	28,908	92,916
People - Adults	2,885	56,020	13,889	72,794
Place	64,473	8,413	30,690	103,576
Economy	49,318	184,237	133,487	367,042
Housing - GF	0	2,000	0	2,000
Your Council	59,662	32,450	0	92,112
Total	234,146	289,319	206,974	730,439

8.2.24 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 (council borrowing). 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.

8.2.25 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

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)
MRP	8,734	13,379	19,414	23,469	26,629	28,903

8.2.26 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 was addressed in detail in the Treasury Management Strategy considered by Council in February 2021.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)
CFR	1,365,827	1,471,470	1,874,703	2,121,746	2,219,544	2,256,741

8.3 Asset Management

8.3.1 The Council maintains an approved Asset Management Plan, which has previously been approved by Cabinet.

Asset Disposals

8.3.2 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. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2025.

8.3.3 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 2025) 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

8.3.4 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.

8.3.5 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

8.3.6 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.

8.3.7 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

	31/3/21 Actual (£'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)	31/3/27 Budget (£'000)
Borrowing Debt	555,915	811,902	1,300,494	1,689,734	1,935,338	2,030,955	2,064,909
PFI & Lease Debt	27,303	28,164	19,471	15,297	10,938	8,421	7,921
Total Debt	583,218	840,066	1,319,965	1,705,031	1,946,276	2,039,376	2,072,831
Capital Financing Requirement	837,822	1,365,827	1,471,470	1,874,703	2,121,746	2,219,544	2,256,741

8.3.8 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

8.3.9 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

	2021/22 limit (£'000)	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)	2025/26 limit (£'000)	2026/27 limit (£'000)
Authorised limit – borrowing	1,272,356	1,381,999	1,789,406	2,040,807	2,141,123	2,178,820
Authorised limit – PFI & leases	30,981	25,702	20,192	14,438	11,116	10,456
Authorised limit – total external debt	1,303,337	1,407,701	1,809,598	2,055,246	2,152,239	2,189,276
Operational boundary - borrowing	1,222,356	1,331,999	1,739,406	1,990,807	2,091,123	2,128,820
Operational boundary – PFI & leases	28,164	23,366	18,356	13,126	10,106	9,506
Operational boundary – total external debt	1,250,521	1,355,365	1,757,762	2,003,933	2,101,228	2,138,325

8.3.10 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

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)
Financing Costs General Fund	12,198	15,807	22,108	25,424	26,174	29,374
Proportion of net revenue stream	4.86%	6.01%	8.36%	9.26%	9.33%	10.24%
Financing Costs HRA	16,242	16,333	22,737	27,474	30,027	31,469
Proportion of net revenue stream	15.10%	14.42%	18.97%	21.22%	21.75%	21.94%

8.3.11 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

8.3.12 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.

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.

Draft HRA Financial Plan Overview

- 9.2 This revised financial plan encapsulates the council's HRA 5-year Revenue & Capital Budget/MTFS. It is supported by 30-Year Financial model developed this year, which enables the council to take a longer-term view of the HRA. This is particularly important in the context of sustained existing stock maintenance & housing development and allows us to plan for the future of our housing stock more accurately and sustainably.
- 9.3 This revised financial plan encapsulates the council's HRA 5-year Revenue & Capital Budget/MTFS. It is supported by 30-Year Financial model developed this year, which enables the council to take a longer-term view of the HRA. This is particularly important in the context of sustained existing stock maintenance & housing development and allows us to plan for the future of our housing stock more accurately and sustainably.
- 9.4 The Plan enables the modelling of the revenue and capital implications of all planned work in the HRA to deliver Borough Plan priorities and provided the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA over a longer period.
- 9.5 Assumed rents on new builds and acquisition reflect recent valuation exercise across wards where development is taking place. Forecasts of the PWLB borrowing rate and updated inflation (CPI) which informs the existing homes rent charges and affects cost have been incorporated.
- 9.6 This Financial Plan supports the greater proportion of the new homes being developed for social rents, which has increased from 75% to 82%. This is made possible by increased grant in the Affordable Homes Programme (AHP) 2021-26, forecast reductions in borrowing costs, and council rent increase.
- 9.7 There is a proposed increase in spend on Major works (existing homes), and Carbon reduction, which further highlights the Councils commitment to improving the quality of life of residents, ensuring residents live healthier lifestyle and combating climate change.
- 9.8 The comprehensive financial plan addresses 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.
- 9.9 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 are also reflected in the HRA financial plan.
- 9.10 Built into this revised financial plan is an increase in the level of HRA working balance to £20m next year, in recognition of the potential financial risk associated with such an extensive expansion programme in the HRA. There is also a provision for one off cost of insourcing of housing services, as currently managed by Homes for Haringey (HfH).

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

Housing rents

- 9.11 The Council sets the rents in council-owned properties every year, in accordance with the government's social housing rent policy. The government, through the Regulator of Social Housing, prescribes the formula for calculating social housing rents. These rents are also called national formula rents and exclude service charges.
- 9.12 The Council sets the rents in council-owned properties every year, in accordance with the government's social housing rent policy. The government, through the Regulator of Social Housing, prescribes the formula for calculating social housing rents. These rents are also called national formula rents and exclude service charges.
- 9.13 The national formula for setting social rent is intended to enable LAs to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock (to at least Decent Homes Standard) and continue to operate a financially viable HRA, including meeting their borrowing commitments.
- 9.14 The formula is complex and uses national average rent, relative average local earning, relative local property value, and the number of bedrooms to calculate the formula rent.
- 9.15 Formula rents are subject to a national social rent cap. The rent cap is the maximum level to which rents can be increased to in any one financial year, based on the size of the property. Where the formula rent would be higher than the rent cap for a particular property, the national social rent cap must be used instead. Rent caps for 2022/23 are as follows:

Number of bedrooms	Rent cap
1 and bedsits	£155.73
2	£164.87
3	£174.03
4	£183.18
5	£192.35
6 or more	£201.50

Rents in Existing Council Homes - General Needs & Sheltered/Supported Housing

- 9.16 Individual council rents in Haringey are below the formula rents in many properties. This is because historically Haringey rents were set lower than the formula rent. In contrast, many social landlords, particularly Housing Associations, have historic rents that were set higher than formula rent. To create a level playing field, the government introduced rent restructuring in 2003 to converge actual rents towards the formula rent. The government abandoned rent restructuring in 2015/16, when it imposed a 1% rent reduction for four

years, under the Welfare Reform and Work Act 2016. The Council complied with the legislation and the 1% rent reduction ended in 2019/20.

- 9.17 The Rent Standard permits Local Authorities in England to increase tenants' rents every year by no more than the CPI at September of the previous year plus 1%, at least until 2024/25. Therefore since 2020/21, existing council tenants' rents could only increase by no more than CPI inflation plus 1%. However, the government allows Local Authorities to charge formula rents on homes when they are re-let following a vacancy.
- 9.18 The current rent for 2021/22, approved by Cabinet on 9 February 2021, was set at the 2020/21 rent uplifted by 1.5%. The rent increase is due to the CPI (inflation) rate in September 2020 of 0.5% plus 1% allowed by the government.
- 9.19 The Council has the ability under the social housing rent standards to increase rent by no more than September CPI plus 1%. Given that the CPI at September 2021 is 3.1%, rents in council-owned housing stock would increase by no more than 4.1% (CPI plus 1%) from 4 April 2022 (the first Monday in April).
- 9.20 Applying this rent increase of 4.1% would give £3.4m of additional income to the Housing Revenue Account (HRA) from tenants' rents. This has been reflected in the HRA Financial plan. There is also an assumed annual rent increases of current CPI of 2% plus 1% in the forecasts for 2023/24 and 2024/25. Then a reversion to CPI of 2% only for the remaining life of the HRA financial plan.
- 9.21 Provisional rents for existing general needs and sheltered/supported housing tenants for 2022/23 have been calculated on the basis that their weekly rents increase by no more than 4.1% from 4 April 2022. As such the average weekly rent would increase by £4.35 from £106.14 to £110.49.
- 9.22 There is a range of rents across different sizes of properties. Table 1 sets out the proposed average weekly rents and the average rent increases for 2022/23 by property size.

Table 1

Number of Bedrooms	Number of Properties	Current average weekly rent 2021/22	Proposed average weekly rent 2022/23	Proposed average rent increase	Proposed percentage increase
Bedsit	136	£86.11	£89.64	£3.53	4.1%
1	5,367	£91.20	£94.94	£3.74	4.1%
2	5,139	£106.29	£110.65	£4.36	4.1%
3	3,725	£121.71	£126.70	£4.99	4.1%
4	603	£138.57	£144.25	£5.68	4.1%
5	109	£162.10	£168.75	£6.65	4.1%
6	15	£168.45	£175.36	£6.91	4.1%
7	2	£159.39	£165.93	£6.54	4.1%
8	1	£180.44	£187.84	£7.40	4.1%
All dwellings	15,097	£106.14	£110.49	£4.35	4.1%

The council will continue to charge formula rents on re-lets to new secure tenants.

Rents in New Council Homes – General Needs & Sheltered/Supported Housing

- 9.23 The Council has an ambitious council housing delivery programme, and over the next few years, a large number of newly built and newly acquired council homes will be delivered and ready for new tenants.
- 9.24 The maximum weekly rent allowed by the government for a tenant granted a tenancy in a new home for the first time is formula rent (subject to national rent cap). The HRA financial plan includes additional rental income at the average formula rent for the new homes in the delivery programme.
- 9.25 The council will continue to let new homes at the relevant formula rent for the new homes and the HRA financial plan is built on that basis.

Rents in Temporary Accommodation

- 9.26 All properties acquired since 1 April 2019 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.
- 9.27 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, with the normal annual rent increases of CPI, as these properties are assumed will revert to the HRA after 7 years of lease.
- 9.28 From 4th April 2022, all other council-owned properties used as temporary accommodation but not leased to HCBS will have their rents increased by 4.1% from their current levels.

Tenants' Service Charges

- 9.29 In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council sets tenants' service charges at the start of each financial year to match budgeted expenditure.
- 9.30 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.
- 9.31 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.

Tenants currently pay for the following services:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Light and power (Communal lighting)
- Heating
- 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

- 9.32 The applicable charges for 2022/23 will be calculated and presented for Cabinet approval in February 2022 when the budgeted costs of providing each service is agreed.

Rent consultation

- 9.33 There is no requirement for tenant consultation because Haringey Council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges. However, tenants must be given at least four weeks' notice before the new rents for 2022/23 start on 4 April 2022.

9.34 This will follow the consideration by Cabinet in February 2022 and will include:

- Council housing rent charges for 2022/23
- Proposed weekly tenants service charges for 2022/23
- HRA hostel rent charges for 2022/23

HRA Expenditure

9.35 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 £41.8m for 2022/23. This includes £19.7m for repairs and about £1.9m for housing demand functions. Cabinet will be deciding on whether to bring HfH back in-house. It is expected that this will bring efficiency and financial saving but this not quantifiable at this time.

9.36 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 almost the same level as 2021/22 due to low interest rate forecast for next year's potential borrowings.

9.37 The proposed HRA capital programme supports the delivery of over £2bn investment in our existing stock over the next 30 years, and now supports the delivery of about 3,771 homes, of which about 3,105 are for social rent. This is 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.

9.38 There are of course 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. Importantly, HRA budget and forecasts continue to assume 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 an increased working balance of £20m.

9.39 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 2022/23 included here.

9.40 A finalised version will be presented to Cabinet and Full Council for approval in February 2022 and March 2022 respectively. 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 (2022/23-2026/27)

9.41 The HRA budget for 2022/23 is a balanced budget maintaining a reasonable revenue contribution to capital of £10.5m. 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 the September CPI and its impact in next year's rent charges.

Table 9.3 - Draft HRA 5-Year Revenue Budget (2022/23 – 2026/27)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income & Expenditure	2022-23	2023-24	2024-25	2025-26	2026-27	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Dwellings Rent Income	(90,004)	(96,012)	(104,539)	(112,101)	(116,692)	(519,348)
Void Loss	900	960	1,046	1,121	1,167	5,194
Hostel Rent Income	(2,342)	(2,402)	(2,464)	(2,506)	(2,549)	(12,263)
Service Charge Income	(11,721)	(12,263)	(13,074)	(13,881)	(14,368)	(65,307)
Leaseholder Income	(7,850)	(7,882)	(8,107)	(8,337)	(8,574)	(40,750)
Other Income (Garages /Aerials/Interest)	(2,242)	(2,282)	(2,323)	(2,366)	(2,409)	(11,622)
Total Income	(113,259)	(119,881)	(129,461)	(138,070)	(143,425)	(644,096)
Expenditure						
Repairs	19,700	20,095	20,924	22,215	22,994	105,928
Housing Management	20,158	20,214	20,119	20,988	21,610	103,089
Housing Demand	1,917	1,955	1,994	2,034	2,075	9,975
Management Fee (HfH)	41,775	42,264	43,037	45,237	46,679	218,992
Estates Costs (Managed)	10,720	10,935	11,153	11,376	12,079	56,263
Provision for Bad Debts (Tenants)	2,820	2,976	3,198	3,397	3,517	15,908
Provision for Bad Debts (Leaseholders)	188	189	195	200	206	978
Total Managed Expenditure	13,728	14,100	14,546	14,973	15,802	73,149
Other Costs (GF Services)	5,379	5,487	5,597	5,708	5,823	27,994
Other Costs (Property/Insurance)	4,552	3,011	2,561	2,612	2,664	15,400
Capital Financing Costs	16,333	22,737	27,474	30,027	31,469	128,040
Contribution to Major Repairs (Depreciation)	20,955	21,915	23,365	24,816	25,684	116,735
Revenue Contributions to Capital	10,537	10,367	12,881	14,697	15,304	63,786
Total Expenditure	113,259	119,881	129,461	138,070	143,425	644,096
HRA (Surplus) / Deficit	0	0	0	0	0	0

Draft HRA 5 Years Capital Programme (2022/23 – 2026/27)

- 9.42 This represents the capital implications of the new draft 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.
- 9.43 The HRA MTFS is geared towards maximising the use of other available resources and use of borrowing as last resort, while maintaining a working balance of £20m. The MTFS capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2022/23 is £397m, fully funded from revenue contribution, grants, RTB retained receipt, Major Repairs Reserve and borrowing.

Table 9.4 - Draft HRA 5 Year Capital Programme (2022/2 – 2026/27)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment & Financing	2022-23	2023-24	2024-25	2025-26	2026-27	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Investment						
Major Works (Haringey Standard)	44,967	57,049	60,024	61,425	62,742	286,207
Carbon Reduction Works (Affordable Energy)	6,265	6,242	6,367	6,495	6,624	31,993
Fire Safety Works	6,120	5,470	7,573	7,577	7,729	34,469
Broadwater Farm Works	17,156	11,653	22,394	15,458	1,127	67,788
Total Existing Stock Investment	74,508	80,414	96,358	90,955	78,222	420,457
New Homes Build Programme	177,150	219,668	123,152	31,627	18,335	569,932
New Homes Acquisitions	111,390	22,280	21,744	55,007	63,606	274,027
TA Acquisitions	34,216	34,558	34,904	35,951	37,030	176,659
Total Capital Investment	397,264	356,920	276,158	213,540	197,193	1,441,075
Capital Investment Financing						
Grants (GLA)	59,752	53,020	73,768	31,150	23,275	240,965
Major Repairs Reserve	20,955	21,915	23,365	24,816	25,684	116,735
Revenue Contributions	10,560	10,367	12,881	14,697	15,304	63,809
RTB Capital Receipts	11,231	11,344	11,458	11,781	12,034	57,848
Leaseholder Contributions to Major Works	6,679	9,548	10,144	8,198	7,180	41,749
S.106 Contributions	1,000	152	0	0	0	1,152
Market Sales Receipts	529	1,937	12,660	84,373	60,535	160,034
Borrowing	286,558	248,637	131,882	38,525	53,181	758,783
Total Capital Financing	397,264	356,920	276,158	213,540	197,193	1,441,075

Major Works – Haringey Standard

- 9.44 The major works investment standard has been designed to ensure that the Council maintains its statutory and legal duties and keeps homes safe and warm. It comprises internal, external and works to communal areas, including all items affecting decency.

Carbon Reduction Works

- 9.45 The budget provision would support extensive measures including internal and external solid wall insulation, loft and cavity wall insulation, and renewables e.g., installation of solar panels.

Fire Safety Works

- 9.46 The proposed £35m is to ensure that all housing stock continues to meet changing statutory requirements. The programme includes front entrance door replacements, window infill panel replacements, automatic Fire Detection (AFD) to street properties, automatic Fire detection and compartmentation works to timber clad buildings, Intrusive Fire Risk Assessments (FRA) and follow up works.

Broadwater Farm Works

- 9.47 This allocation of £68m is to address major safety and refurbishment works on the estate, including the demolition of three blocks, strengthening and refurbishment works of remaining blocks, a new Decentralised Energy System, upgrade to cold water supply, and redesign works for the entire estate. The cost

of replacement homes in Northolt, Tangmere and Stapleford North (Broadwater Farm) will be contained within the New Homes build budget.

New Homes Build and Acquisition

- 9.48 This Financial plan continues to provide to meet the Council's commitment to the delivery of high-quality Council homes at social rents. This is an integral part of the Council's core HRA business, with a delivery programme that is viable in the long term. The total estimated cost of new build homes and acquisition in the financial plan is £844m over the period of the MTFS.

Existing Homes Acquisitions – TA

- 9.49 The Council's TA acquisition programme is based on the purchase of homes and subsequent leasing to the Haringey Community Benefit Society ('the CBS') to provide housing to households in housing need nominated to it by Haringey Council. This scheme will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via reduction in the use of privately-owned temporary accommodation in GF. This Financial plan has allocated £177m over the MTFS period for this scheme.

10. Dedicated Schools Budget (DSB)

- 10.1 Schools budgets are 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 2021-22 sets out the forecast year end position. This highlights the budget pressures in the High Needs Block which is estimated to add an additional £6.9m to the existing deficit of £17.0m to give a forecast deficit of £23.9m by the end of 2021-22.
- 10.3 Table 10.1 below sets out Haringey's Dedicated Schools Grant allocations for 2020-21, the minimum rebased DSG baseline allocation for 2021-22 and the provisional National Funding Formula (NFF) allocation for 2022-23.

Table 10.1 Haringey's Dedicated Schools Grant Allocation

Gross Dedicated Schools Grant	2020-21	2021-22	2022-23 Provisional NFF
	£m	£m	£m
Schools Block	200.15	**212.17	214.99
Central School Services Block	2.95	2.91	2.84

Early Years Block ***	20.83	21.04	21.04
High Needs Block	40.99	45.52	49.47
Total DSG	264.92	279.67	288.34

** The 2021-22 Schools Block includes £6.19m Teachers Pay and Pension grant rolled into the DSG and continues to be rolled into DSG for 2022-23

*** The Early Years Block allocation for 2021-22 has not yet been announced but is assumed to be at the same rate for 2022-23

- 10.4 Before 2021-22 the teachers pay and pension grants were paid as separate grants. This has now been rolled into the DSG and any teachers pay awards or pledges to increase the starting salary for newly qualified teachers will need to be met from the overall DSG grant.
- 10.5 Overall, Haringey's provisional NFF allocation for 2022-23 is an increase of 3.1% equivalent to £8.67m. This is based on the October 2020 pupil census numbers and the final allocation will be based on the October 2021 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 1.33% equivalent to £2.8m.
 - Central School Services Block - has lost 2.5% equivalent to £0.07m.
 - Early Years Block – Not applicable as the funding is to be announced.
 - High Needs Block – uplift of 8.67% equivalent to £3.95m.
- 10.6 The actual financial position for the Dedicated Schools Grant is dependent on the final school's finance settlement for 2022-23, which is due in December 2021.
- 10.7 The Schools Forum will consider these figures at their December 2021 and January 2022 meetings.
- 10.8 The 2021 spending review (SR21) announced additional money for schools. This appears to be an increase of around 2% in real terms to the overall school system. Details are still to be released and it is unclear how much additional money will be available to schools once pay awards and increases in National Insurance Contributions are taken into account.
- 10.9 The DfE have consulted on the implementation of the hard National Funding Formula from 2023-24, which focuses on reforms to the School Block and Central School Services Block. The Council supports a funding system that continues to enable local discretion on the allocation of schools funding so that decisions being made are more responsive to the needs of schools.

DSG Reserves

- 10.10 As at Quarter 2, the DSG Reserves is expected to close with a cumulative deficit of £23.4m at the end of 2021-22. The pressure is in the High Needs Block (HNB) and is mainly due to the increase in the number of children with Education, Health and Care Plans (EHCPs) within the borough. The HNB

funding allocation has increased by over 8% in 2021-22 compared to 2020-21, however the increase in costs due to the increase EHCPs is greater than the funding available.

Table 10.2 2021-22 Year End DSG reserves forecast

Blocks	Opening DSG deficit at 01/04/2021 £m	Q2 2021-22 Forecast £m	Forecast closing DSG deficit 2021-22 £m
Schools Block	0.00	0.00	0.00
Central School Services Block	0.08	0.00	0.08
Early Years Block **	-0.11	0.00	-0.11
High Needs Block	-16.99	-6.38	-23.37
Total DSG	-17.02	-6.38	-23.40

** The Early Years Block has not yet been announced, however projected to be all passported to providers

10.11 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 Council is producing a DSG Management Plan which will be coproduced with various stakeholders, including School's Forum and shared with the DFE, which will detail the various actions to manage the DSG deficit. The plan is a live document which will continue to be shared periodically with 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 2022 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 March 2022.

12. Statutory Officers comments

Finance

- 12.1 Ensuring the robustness of the Council's 2022/23 budget and its MTFS 2022/23 – 2026/27 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.
- 12.2 The draft General Fund Budget 2022/23 requires a planned draw down from reserves of £5.9m in order to be balanced and this position will be reviewed in the February report.
- 12.3 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 March.

Procurement

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

Legal

- 12.5 The Head of Legal & Governance has been consulted in the preparation of this report, and makes the following comments.
- 12.6 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.
- 12.7 The Council must ensure that it has due regard to its public Sector Equalities Duty under the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.
- 12.8 In noting at paragraph 7.11.2 of the report that no new budget reduction proposals are proposed for 2022/23, were that to change then 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 on any proposals developed. In addition, the process set out in the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution will need to be followed in order to make In-year changes to the budget framework.
- 12.9 In view of the conclusion reached by the Director of Finance at paragraph 12.2 above on the ability to set a balanced budget for 2022/23, coupled with the

assurance provided at paragraph 7.13.1 above, and the Equalities comments below, 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 2022/23 and MTFS to 2026/27, including budget adjustments and capital proposals.
- 12.4 The proposed decision is for Cabinet to note the budget proposals detailed and agree to commence consultation with residents, businesses, partners, staff and other groups on the 2022/23 Budget and MTFS. The decision is recommended in order to comply with the statutory requirement to set a balanced budget for 2022/23 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 Council's priorities are underpinned by a focus on tackling inequality 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 and / or vulnerable residents, such as the proposed over £6m in Children's, Adults and Temporary Accommodation and £0.6m for the Violence against Women and Girls agenda.
- 12.6 During the proposed consultation on Budget and MTFS proposals, there will be a 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 2022.

13. Use of Appendices

Appendix 1 – Summary of Draft Revenue 2022/23 Budget and Medium Term Financial Plan 2022-2027

Appendix 2 – Summary of new Revenue budget growth proposals

Appendix 3 – Summary of total agreed Revenue budget reduction proposals
2022-2027

Appendix 4 – Draft General Fund Capital Programme 2022/23 – 2026/27

Appendix 5 – Summary of new proposed capital investment

Appendix 6 – Budget Consultation Plan

14. Local Government (Access to Information) Act 1985

2021/22 Qtr 1 and Qtr 2 Budget Reports

2021/22 Budget & MTFS 2021-2026

Appendix 1 - Summary of General Fund Revenue 2021/22 Budget and Medium Term Financial Plan 2026-2027

	2021/22 Budget	Movement	2022/23 Draft Budget	Movement	2023/24 Projected	Movement	2024/25 Projected	Movement	2025/26 Projected	Movement	2026/27 Projected
Priority Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing	16,102	837	16,939	(51)	16,888	(12)	16,876	(1)	16,875	0	16,875
People - Children	58,289	2,070	60,359	250	60,609	690	61,299	620	61,919	20	61,939
People - Adults	83,208	(1,044)	82,164	1,461	83,625	3,102	86,727	2,789	89,516	2,821	92,337
Place	23,999	(1,857)	22,142	1,427	23,569	(1,454)	22,115	(170)	21,945	0	21,945
Economy	6,166	988	7,154	(300)	6,854	(425)	6,429	(70)	6,359	(30)	6,329
Your Council	32,995	3,338	36,333	(881)	35,452	0	35,452	0	35,452	550	36,002
Non-Service Revenue	30,006	9,819	39,825	13,719	53,544	6,822	60,366	7,356	67,722	7,200	74,922
Further Savings to be Identified	0	(0)	(0)	(10,286)	(10,286)	(4,414)	(14,700)	(4,448)	(19,149)	(4,324)	(23,473)
Council Cash Limit	250,765	14,151	264,916	5,339	270,255	4,309	274,564	6,076	280,639	6,237	286,876
Planned Contributions form Reserves	(1,688)	(4,191)	(5,879)	1,758	(4,121)	4,121	0	0	0	0	0
Total General Fund Budget	249,077	9,960	259,037	7,097	266,134	8,430	274,564	6,076	280,639	6,237	286,876
Funding											
Council Tax	(110,302)	(7,582)	(117,884)	(5,668)	(123,552)	(5,636)	(129,187)	(3,887)	(133,074)	(4,005)	(137,079)
Council Tax Surplus	(1,950)	25	(1,925)	0	(1,925)	(250)	(2,175)	0	(2,175)	0	(2,175)
RSG	(22,115)	(3)	(22,118)	(442)	(22,561)	(451)	(23,012)	(460)	(23,472)	(469)	(23,941)
Top up Business Rates	(58,412)	(3,283)	(61,695)	(1,219)	(62,915)	(1,219)	(64,134)	(1,283)	(65,416)	(1,308)	(66,724)
Retained Business Rates	(22,137)	919	(21,218)	(424)	(21,642)	(649)	(22,291)	(446)	(22,737)	(455)	(23,192)
NNDR Growth	0	0	0	0	0	0	0	0	0	0	0
NNDR (Surplus)/Deficit	225	0	225	0	225	(225)	0	0	0	0	0
Total (Main Funding)	(214,691)	(9,925)	(224,616)	(7,753)	(232,369)	(8,430)	(240,799)	(6,076)	(246,875)	(6,237)	(253,112)
New Homes Bonus	(1,208)	552	(656)	656	(0)	0	(0)	0	(0)	0	(0)
Public Health	(20,353)	(0)	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)
Other core grants	(12,825)	(586)	(13,411)	0	(13,411)	0	(13,411)	0	(13,411)	0	(13,411)
TOTAL (Core/Other External Grants)	(34,386)	(35)	(34,421)	656	(33,765)	-	(33,765)	-	(33,765)	-	(33,765)

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Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<p><u>Adults social care - social care and commissioning/brokerage capacity</u> COVID has significantly increased the complexity of client cases and consequently the workload of the service. As a consequence, both reviewing and prescribing care packages has become more difficult especially with new profile of clients. Increasing the capacity of the service will also act as an enabler for the delivery of MTFS savings.</p>	Adults and Health	346	(42)				304
<p><u>Adults Social Care - Care Purchasing budgets demographic, inflation and Covid legacy growth</u> Since last years MTFS, care purchasing growth modelling has been revisited for the new MTFS period. This highlighted an additional £1,481K for 2022/23 (on top of the £2,496K growth already in the MTFS for 22/23). The total £3,977K forecast growth for 2022/23 is made up of: inflation , demographic growth and COVID related pressures. Growth projections for 2025/26 and 2026/27, not built into last year’s MTFS, have now been added.</p>	Adults and Health	1,481			2,789	2,821	7,091
<p><u>Violence Against Women and Girls</u> This investment is to provide a sufficient service offer to support women and girls with significant needs and risks to wellbeing which have grown during the pandemic. Without this investment we will risk escalation of domestic abuse and domestic homicide cases, with possible knock on effects on children requiring care and intensive social work support, as well as people needing re-housing. There will also be increased risk of domestic homicide and of young people impacted by abuse becoming involved in gangs and violence - as domestic abuse in the home is a significant risk factor for youth violence.</p>	Adults and Health	582					582
<p><u>Children's Social Care - placements growth</u> Although the number of children in our care has reduced and is now stable, the service is seeing more complexity and acuity in children's needs. This means that more children need more costly placements. Residential placements costs have also risen from around £2,300 in 16/17 to around £3,818 in 20/21. Secure placement costs vary depending on where young people are being held and continue to be volatile. At the most complex end costs have gone from around £2K per week on average in 16/17 to around £5.5K per week.</p>	Children	1,336					1,336

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<p><u>Children's Social Care rising case numbers leading to cost pressures across a number of services</u></p> <p>Case or activity numbers have risen across a number of Children's services compared to before the pandemic, including:</p> <ul style="list-style-type: none"> -Child protection plans and children in need plans -SEND and rising EHCP Numbers -Increasing numbers of disabled children -Increasing demand for the Young Adults Service -Increased demand for the Haringey expanded free school meal provision <p>These rising case numbers and demand levels place pressures across our children's service teams as there are capacity constraints on the numbers of cases that social workers, educational psychologists or other professionals are able to handle at any one time. The investment is required to ensure we are able to support vulnerable residents. It is likely too that the medium to longer term impacts of the pandemic such as unemployment, child poverty and family conflict and stress will continue to have an impact on the numbers of children needing our help and support.</p>	Children	2,434	144	420	620	20	3,638
<p><u>Brokerage and Quality Assurance for Children and Young People</u></p> <p>COVID has significantly increased the complexity and volume of cases presenting to children's services, and this has a knock on impact on the commissioning/brokerage functions which work with the service to support them. The investment will ensure the functions are best placed to secure effective and timely brokering of services, frequent review of service provision, and commissioning intervention to share and manage the market to meet the needs of children and young people whilst optimising the Council's resources.</p>	Children	402					402
<p><u>Running local elections</u></p> <p>This funding is to cover the estimated costs of running the Local Council Elections in 22/23 and 26/27 which are not funded via Government grant.</p>	Customer, Transformation & Resources + Corporate	500	(500)			550	550
<p><u>Back Office Statutory Functions sustainability</u></p> <p>A number of the budgets for the Council's key statutory support services do not currently reflect the current/required spend to adequately support and advise the organisation, including Legal, Finance, Procurement, Emergency Planning and Information Governance, to ensure they are equipped to best support and enable the organisation in coming years.</p>	Customer, Transformation & Resources + Corporate	1272	(75)				1,197

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<p><u>Proactive Tree Maintenance</u></p> <p>The Council is responsible for the inspection and maintenance of 35,000 trees spread across streets, parks, housing estates and woodlands. Each of these trees requires inspection in leaf and out of leaf and has the potential to cause harm, to the public and property if not properly maintained. The growth will address rising costs and provide for the ongoing increase in maintenance resource estimated as required to maintain the tree stock.</p>	Environment & Neighbourhood	500		(100)			400
<p><u>Community Safety and Waste Service and Contract changes</u></p> <p>Changes in the waste contract and CCTV provision will create pressures in future years budgets which must be recognised in the MTFS</p>	Environment & Neighbourhood	375	51				426
<p><u>Highways Drainage Cleansing and maintenance</u></p> <p>The Highways Act 1980 places a duty on the Council to maintain the public highway. This includes highway drainage systems and road gullies. There are around 15,000 assets to be maintained. This additional funding will enable a more proactive, and cost effective approach to gully maintenance and repair, supporting the delivery of the Flood Water Management Strategy.</p>	Environment & Neighbourhood	326					326
<p><u>Council Landlord Functions Pressures</u></p> <p>This growth is to allow essential additional investment in Council properties and to deal with backlogs in maintenance/repairs.</p>	Housing, Regeneration & Planning	580	(200)	(325)		(30)	25
<p><u>Temporary Accommodation</u></p> <p>The legacy impact of the pandemic, coupled with changes to legislation and the introduction of Universal Credit have created pressure within the temporary accommodation budget.</p> <p>The Council's Housing Benefit subsidy offset payment has increased in recent years due to increasing numbers of individuals migrating to universal credit, and is forecast to create a financial pressure of £500k.</p> <p>The end of the eviction ban in July 2021 is driving additional demand for temporary accommodation as eviction proceedings have now resumed at the courts. It is anticipated that this could amount to 300 additional TA bookings this financial year at a projected cost of £380k.</p> <p>The new Domestic Abuse Act places new duties on the Council to provide TA to affected households and is anticipated to generate an additional 100 TA placements this financial year at a cost of £125k and at least twice that number next financial year and beyond at a cost of at least £250k.</p>	Housing, Regeneration & Planning	1,130					1,130

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<p><u>Planning Policy and production of the Local Plan</u> This proposal will provide one-off funding to enable the Council to meet it's statutory duties in relation to the production of the Local Plan and emergency planning and provides a small on-going budget for the Planning team in order for them to comply with other statutory requirements associated with planning policy.</p>	Housing, Regeneration & Planning	285	(185)	(50)			50
<p><u>Residents & Communities Engagement and Participation</u> The pandemic emphasised the importance of residents & communities engagement and participation. This investment will enable us to further develop their involvement in local decision making, shaping the services they use and be part of co-producing the borough of the future.</p>	Customer, Transformation & Resources + Corporate	100					100
<p><u>Environment/climate investment</u> The Council is investing in the public realm and playing our part in tackling the climate emergency, and will invest our resources strategically in these areas.</p>	Environment & Neighbourhood	200					200
		11,849	(807)	(55)	3,409	3,361	17,757

APPENDIX 3 - AGREED REVENUE SAVINGS 2022 - 2026

Priority	Total				
	2022/23	2023/24	2024/25	2025/26	Total Savings
	£000	£000	£000	£000	£000
Housing	340	51	12	1	404
People - Adults	4,161	535	-	-	4,696
People - Children	1,679	130	230	0	2,039
Place	2,649	(1,370)	1,360	170	2,809
Economy	100	100	100	70	370
Your Council	751	6	-	-	757
Total Savings - Priorities	9,680	(548)	1,702	241	11,075
Cross-Cutting Proposals	2,250				2,250
Total Savings	11,930	(548)	1,702	241	13,325

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APPENDIX 4: 2022/23 - 26/27 DRAFT CAPITAL PROGRAMME

Key for Source of Funding	
H	Haringey Borrowing
S	Self-Financing
E	External

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
101	Primary Sch - repairs & maintenance	A range of repairs to various schools covering boiler replacement, rewiring and other items.	5,700	5,000	5,000	5,000	1,000	21,700	H & E
102	Primary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	15,452	13,480	11,000	4,000	0	43,932	H & E
110	Devolved Sch Capital	This is passed 100% to schools	531	531	531	531	531	2,655	E
114	Secondary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	270	270	270	270	0	1,078	H
121	Pendarren House	Works to the facility to bring it to a high standard of repair	2,243	2,913	70	0	0	5,226	H
122	Alternative Provision Strategy	To fund capital works that increase the number of AP places in the borough	600	1,800	4,800	4,500	300	12,000	H
124	In-Borough Residential Care Facility	The Council has a significant need to accommodate looked after children. Currently the need is met through out of borough placements which are expensive and can involve extended travel. The aim of this project is to provide these services in borough thus reducing cost, improving quality and reducing travel.	500	2,700	3,000	0	0	6,200	S
199	P1 Other (inc Con't & Social care)	This is a small programme contingency budget.	125	0	0	0	0	125	H
People - Children's			25,421	26,694	24,671	14,301	1,831	92,916	
201	Aids, Adap's & Assistive Tech - Home Owners (DFG)	Grant funded programme of aids and adaptations to enable people to remain in their home	2,193	2,193	2,193	2,200	2,200	10,979	E
208	Supported Living Schemes	Funding to convert property to supported living schemes reducing high cost placements with no loss of quality of service	4,500	3,000	3,000	0	0	10,500	S

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
209	Assistive Technology	The funding for AT will provide a greater range of Assistive Technology interventions that will enable individuals to live independently and safely for longer in their own homes, as well as greater opportunity for improved outcomes through better information and proactive intervention.	500	0	0	0	0	500	S
211	Community Alarm Service	This is the funding for the capital element of the service	177	177	177	177	177	885	H
213	Canning Crescent Assisted Living	This project is to provide a number of assisted living places	100	0	0	0	0	100	S
214	Osborne Grove Nursing Home	The scheme is in development to provide a 70 bed nursing home.	6,036	34,504	2,545	1,094	0	44,180	S
217	Burgoyne Road (Refuge Adaptations)	This project is to provide a new women's refuge	2,250	0	0	0	0	2,250	E & S
218	Social Emotional & Mental Health Provision	This budget is to provide funding to provide additional in borough provision	600	600	600	0	0	1,800	E & S & H
221	Mosaic System Implementation	This budget is to provide funding for the implementation of a new social care system	1,600	0	0	0	0	1,600	H
People - Adults			17,956	40,474	8,515	3,471	2,377	72,794	
119	School Streets	The funding is to support the roll out of the schools streets initiative	600	600	600	0	0	1,800	E
301	Street Lighting	This is the annual investment in capital maintenance	1,300	1,300	1,300	1,300	1,539	6,739	H
302	Borough Roads	This is the annual investment in capital maintenance	8,754	10,029	10,909	10,909	7,858	48,459	H & E
304	Flood Water Management	This is the annual investment in capital maintenance	680	710	0	0	0	1,390	H
305	Borough Parking Plan	This funding underpins the borough parking plan	321	321	321	321	0	1,284	H
307	CCTV	This funding underpins the borough CCTV plan	1,000	550	0	0	0	1,550	H
309	Local Implementation Plan(LIP)	This funding is provided by TfL for infrastructure works called the Local Implementation Plan (LIP)	1,000	1,000	1,000	1,000	1,000	5,000	E
310	Developer S106 / S278	This funding is provided by developers to offset the deleterious effect of their development so that it is acceptable in planning terms	250	250	250	250	250	1,250	E

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
311	Parks Asset Management:	This is the annual investment in capital maintenance	1,716	775	300	300	300	3,391	H
313	Active Life in Parks:	This is the annual investment in capital maintenance	699	230	230	230	230	1,619	H & E
314	Parkland Walk Bridges	Investment in the refurbishment of a number of bridges	1,615	2,085	2,000	2,000	2,000	9,700	H
322	Finsbury Park	This budget is to cover investment in Finsbury Park funded through the events income	600	600	1,000	0	0	2,200	S
325	Parks Vehicles	This budget is to be used for the procurement of energy efficient park vehicles. It is self-funding and is aimed to reduce carbon emissions.	720	0	0	0	0	720	S
328	Street & Greenspace Greening Programme	This is an annual programme of investment in street & greenspace tree planting programme. The programme is used to match fund other external funds and sponsorship opportunities to deliver circa 200-250 trees per year. The current programme is much greater than this due to a large grant from the Urban Tree Challenge Fund and NCIL funding in four wards.	175	175	175	75	75	675	S & H
329	Park Building Carbon Reduction and Improvement Programme	A four year programme to improve the quality of the parks operational estate (13 buildings) including reducing the energy consumption and water usage by installing new technologies to reduce the carbon emissions to Zero in line with the Climate Action Plan targets for 2027.	1,300	1,050	0	0	0	2,350	S
333	Waste Management	To upgrade waste infrastructure in the public realm	296	0	0	0	0	296	H
336	New River Acquisition	This scheme is to improve the street environment within Haringey.	420	420	533	533	533	2,439	S
337	OFM Assets	This scheme's budget is largely to replace the vehicles currently hired from Veolia with Council owned vehicles. Whilst about 17% of the total budget is for the acquisition of OFM security body cameras and radios.	36	200	0	0	6	242	H

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
338	Road Casualty Reduction	Haringey Council is committed to improving road safety for all users and, in particular, to provide improved conditions for vulnerable road users, cyclists and pedestrians in the Borough. The Council is producing a Road Safety Strategy and Action Plan (RSSAP) to support Vision Zero. The RSSAP will assist in prioritising future infrastructure investment (e.g. locations of new crossings etc) that require an improved facility or safety measures, and make improvements to walking and cycling routes and facilities within the Borough.	1,600	1,600	1,600	1,600	1,600	8,000	H & E
339	Wildflower Meadow Planting	The Council is developing a new Biodiversity Action Plan (BAP) as part of its Parks and Greenspaces Strategy, a key plank of the BAP will be the diversification of the landscape within Haringey to support a greater range of species and habitats. This proposal seeks to support the establishment of a wide range of meadow habitats at different scales.	80	80	0	0	0	160	E
444	Marsh Lane	The scheme is to provide a new depot on Marsh Lane, to be completed by November 2021	266	0	0	0	0	266	H
447	Alexandra Palace - Maintenance	The funding is made up of a regular £470k capital maintenance budget for the upkeep of the palace. In addition there are two projects underway	470	470	470	470	470	2,350	H
621	Libraries IT and Buildings upgrade	This is a programme of upgrades to the libraries in the borough	46	0	0	0	0	46	H
623	Wood Green Library	The funding is to undertake upgrades to Wood Green library	1,000	0	0	0	0	1,000	H
652	Libraries - Re-imaging our Libraries offer for a better future	This is a self funding budget to drive greater use in the libraries	650	0	0	0	0	650	S
Place - Safe & Sustainable Places			25,594	22,445	20,688	18,988	15,861	103,576	
401	Tottenham Hale Green Space	This budget is to deliver improvements to Down Lane Park and the Paddock green spaces	4,406	2,055	4,849	0	0	11,309	H & E

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
402	Tottenham Hale Streets	This budget is to deliver public realm improvements in Tottenham Hale	9,143	800	1,319	0	0	11,261	H & E
4003	Tottenham Hale Housing Zone Funding	This budget funded by GLA is to invest in public realm within the Tottenham Hale Housing Zone	10,989	0	3,203	0	0	14,192	E
404	Good Economy Recovery plan	This scheme is to provide interventions in high streets, to promote economic activities.	500	100	0	0	0	600	H & E
411	Tottenham Heritage Action Zone (HAZ)	This budget funded by Historic England is to deliver shop front improvements, heritage restoration and public realm improvements within Bruce Grove Conservation Area	2,000	1,200	0	0	0	3,200	E & H
421	HRW Acquisition	The budget is for the acquisition of properties as part of the HRW redevelopment. The costs will be met by the developer.	3,940	6,830	6,000	4,600	0	21,370	E
429	Site Acq (Tott & Wood Green)	The budget is to provide the capacity to respond to opportunities to acquire properties. The spending of the budget is subject to a business case.	14,000	10,000	12,000	0	0	36,000	S
453	New workspace scheme at Stoneleigh Road car park	This budget is for the provision of mixed use workspace and housing. This budget is for the workspace element	1,000	0	0	0	0	1,000	S
458	SIP - Northumberland PK BB & WorkSpace/Biz Support	This is a grant funded project to deliver broadband and Workspace/business support.	1,490	0	0	0	0	1,490	E
464	Bruce Castle	The funding it to match fund eternal funding (should there be any) and spend is subject to a successful business case	6,000	8,500	5,000	0	0	19,500	S
465	District Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	6,500	3,500	1,771	0	0	11,771	S & E
470	Wood Green Library & Customer Service Centre	This budget is for the development of the WG headquarters and associated works	6,400	7,000	6,000	0	0	19,400	S
473	Enterprising Tottenham High Road (ETHR)	This budget funded by GLA is to invest in workspace in Bruce Grove	451	0	0	0	0	451	H
474	Tottenham High Road Strategy	The budget is the LBH contribution to support delivery of projects within Tottenham High Road strategy area	587	0	0	0	0	587	H
480	Wood Green Regen (2)	This budget is to facilitate the wider regeneration of the WG area.	8,000	7,750	8,664	7,627	0	32,040	H & E
481	Strategic Investment Pot	This is funding provided the Corporation of London for economic development purposes	1,950	0	0	0	0	1,950	E

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
482	Strategic Property	This is funding for works to the commercial portfolio	254	3	0	0	0	257	H
488	Liveable Seven Sisters (LSS)	This budget is to deliver public realm and parks improvements in Seven Sisters	2,250	1,019	0	0	0	3,269	H & S
493	Bruce Grove Yards (BGY)	This budget is to deliver public realm improvements in Bruce grove	1,670	218	0	0	0	1,888	H
4002	Northumberland Park estate area public realm	This funding is to improve the public realm in this area	500	0	0	0	0	500	E
4005	SME Workspace Intensification	The funding is to intensify use of the Council's industrial estate and spend is subject to a successful business case	3,500	4,000	0	0	0	7,500	S
4006	Acquisition of head leases	The funding is to acquire headleases and any acquisition will be subject to a successful business case	12,000	13,000	0	0	0	25,000	S
4007	Tottenham Hale Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	3,129	5,000	7,000	7,500	0	22,629	E & S
4008	Wood Green Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	2,529	2,500	7,500	7,500	0	20,029	E & S
4009	Additional Carbon Reduction Project	This budget is to assist other capital schemes to become more carbon efficient and it is self-funded.	3,000	3,000	3,000	4,000	0	13,000	S
4010	Selby Urban Village Project	The funding is to support the redevelopment of the Selby Centre and associated works	25,000	25,000	15,000	21,416	0	86,416	E & S
4993	Pride in the High Road (PITHR)	This budget is to deliver placemaking / identity projects along Tottenham High Road	432	0	0	0	0	432	H
Economy - Growth & Employment			131,619	101,474	81,306	52,643	0	367,042	
509	CPO - Empty Homes	The budget is to allow the Council to undertake CPO on properties should it be required	1,000	1,000	0	0	0	2,000	S
Housing (GF) Homes & Communities			1,000	1,000	0	0	0	2,000	
316	Asset Management of Council Buildings	This scheme funds works to the council's operational buildings.	9,031	4,381	5,500	6,100	2,000	27,012	H
330	Civic Centre Works	This scheme is for the Civic centre refurbishment works	14,500	13,500	14,000	3,750	500	46,250	H & S
602	Corporate IT Board	This budget is funding IT development to support the new ways of working	3,650	2,000	500	0	0	6,150	H
604	Continuous Improvement	This budget delivers upgrade to the council's IT infrastructure.	950	950	950	950	950	4,750	H

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
607	Financial Management System Replacement	The budget is to fund upgrades to the existing SAP system to enhance functionality	650	0	0	0	0	650	S
653	Capital Support for IT Projects	This budget provides IT support to other schemes in the programme and it's self-funding.	450	450	450	450	0	1,800	S
655	Relocation of Data Centre	This bid allows for the move of the data centre from River Park House. This work includes capital project resource costs, wi-fi-installation, comms line moves, data centre creation, generator moves, air conditioner moves or purchase, AV systems and possible other software solutions.	1,500	1,000	1,500	500	0	4,500	H
699	P6 - Approved Capital Programme Contingency	This is the approved capital programme contingency.	1,000	0	0	0	0	1,000	H
Your Council			31,731	22,281	22,900	11,750	3,450	92,112	
TOTAL GF CAPITAL PROGRAMME			233,320	214,368	158,079	101,153	23,519	730,439	

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New Capital for 2022/23 MTFS Programme

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>Creation of in borough residential care facility</u></p> <p>The Council has a significant need to accommodate looked after children. Currently the need is met through out of borough placements which are expensive and can involve extended travel. The aim of this project is to provide these services in borough thus reducing cost, improving quality and reducing travel. This will be achieved through the conversion of existing Council properties and/or property acquisition in borough. At this stage it is not possible to identify individual properties. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the savings achieved after paying back the cost of financing the investment.</p>	Children's	500	2,700	3,000	0	0	6,200		Self-Financing
<p><u>Parks Asset Management</u></p> <p>As part of the preparation of the new Parks and Greenspaces Strategy, a Parks Asset Management Plan has been developed. The condition of all current assets and remaining life span have been inspected and assessed. A replacement cycle and cost per item has been established and the annualised cost established across the whole park estate. The current allocation of £300,000 is only sufficient to attend to the most immediate health and safety issues and critical improvements to infrastructure. The preparation of the Parks Asset Management Plan has identified that to complete an adequate programme of replacement each year requires an uplift in the budget of £941,000 per annum. This bid allows for one year of investment and is funded by Council borrowing.</p>	Environment & Neighbourhood	941	0	0	0	0	941	52	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>Active Life in Parks</u> As part of the preparation of the new Parks and Greenspaces Strategy, a Parks Asset Management Plan has been developed. In addition, the Sport and Physical Activity Strategy identifies the sporting, play and outdoor fitness priorities for the borough. The condition of all current assets and remaining life span have been inspected and assessed. A replacement cycle and cost per item has been established and the annualised cost established across the whole of the sporting, play and fitness resources within parks. This bid allows for one year of investment and is funded by Council borrowing.</p>	Environment & Neighbourhood	469	0	0	0	0	469	26	LBH Borrowing
<p><u>Buildings and site facilities at New River Sports and Fitness</u> The New River site brings with it a need to maintain and improve the buildings and sporting facilities on site so that they remain safe, operational and fit for purpose for paying customers. The 9th March 2021 Cabinet report included a separate annex D covering the lifecycle costs over 15 years. That report identified an average investment of £336k pa. However, the investment requirements are front loaded with investments of £420k year 1 and 2 and £533k years 3-5. A review of the whole service is expected in year 3 of operation 2024/25. This review will be supported by a full site building review and future investment needs. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the additional income achieved after paying back the cost of financing the investment.</p>	Environment & Neighbourhood	420	420	533	533	533	2,439		Self-Financing
<p><u>OFM Security - Body Cameras and Radios</u> This bid is for the purchase of body cameras and radios for staff engaged in security works at various public sites to enhance safety. The radios will be provided to a wider range of staff to enhance their productivity. This bid allows year one investment and a year five investment and is funded by Council borrowing.</p>	Environment & Neighbourhood	36	0	0	0	6	42	2	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<u>Parks Leased Buildings - Legal requirement to meet minimum of EPC Grade E by April 2023</u> This scheme is to supplement an existing scheme to bring the Parks Operational buildings to a compliant position for the 1st April 2023. This bid is funded by Council borrowing.	Environment & Neighbourhood	500	250	0	0	0	750	41	LBH Borrowing
<u>OFM – Vehicles</u> This scheme is to replace the vehicles currently hired from Veolia with Council owned vehicles. This bid is funded by Council borrowing.	Environment & Neighbourhood	0	200	0	0	0	200	11	LBH Borrowing
<u>Parkland Walk footbridge replacement work</u> Parkland Walk is London longest linear nature reserve and is held up by, or goes under seven bridges managed by the Parks Service. Many of the bridge structures have been in place for over 140 years and require major refurbishment or replacement. The current programme (£3.6m) covers works to three bridges and investigation and monitoring of a fourth bridge. Refurbishment works have commenced on site on two bridges and the third bridge which is being replaced will be submitted for planning permission in September with works taking place in 2022/23. It is anticipated that to complete the refurbishment / replacement of the four remaining bridges and to resurface the whole length of the walk (4km) a further £10m will be required over five years to complete the works (the fifth year of which being outside of this MTFS period). The works are required to prevent the collapse / failure of the bridge structures and ensure that the public can continue to enjoy all the benefits of Parkland Walk. This bid is funded by borrowing.	Environment & Neighbourhood	0	2,000	2,000	2,000	2,000	8,000	440	LBH Borrowing
<u>Street lighting maintenance</u> This bid is for additional resource in 2026/27 to supplement the existing programme. This bid is funded by Council borrowing.	Environment & Neighbourhood	0	0	0	0	239	239	13	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>Upgrade Parks lighting</u> This scheme brings investment into the street lighting in parks and will integrate it with the Council's street lighting system. The scheme includes the conversion to LED lighting, the installation of central management system (CMS) nodes and the replacement of life-expired lighting columns (2/3rds of all columns). The return on investment for LEDs is 7-9 years, for CMS is 10-11 years and column replacement improves health and safety. This bid is funded by Council borrowing.</p>	Environment & Neighbourhood	475	475	0	0	0	950	52	LBH Borrowing
<p><u>Tree planting - Street & Greenspace Greening Programme</u> The current capital scheme of £100k per annum allows the planting of circa 180 new street trees per annum. In an average year the council currently fells around 300 trees that are dead, diseased, dying or implicated in damaging structures. The increase in funding will allow the council to directly ensure that it at least maintains a net neutral position in terms of its tree stock. Additional, sponsorship by residents of street trees and celebration trees, external grants and Neighbourhood CIL will continue to be applied for to increase the level of tree planting to a net positive position each year. This bid is funded by Council borrowing.</p>	Environment & Neighbourhood	75	75	75	75	75	375	21	LBH Borrowing
<p><u>Waste - Street Washing-Cleansing equipment</u> Initial work has identified efficiencies can be achieved through increased mechanised cleansing of high roads but will need the support of smaller Tenax MaxWind push-along electric sweeper units or equivalent (£16k per unit, up to six required) to achieve an overall reduction in manual cleansing resource for MTFS mechanical cleansing and THFC full cost recovery savings. This bid is funded by Council borrowing.</p>	Environment & Neighbourhood	96	0	0	0	0	96	5	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>"Out of the Box" outreach services</u> This is a joint application by the Haringey Library Service and the Haringey Adult Learning Service (HALS) to procure 3 mobile digital units that can be used as pop up digital inclusion facilities in libraries, and provide digital outreach in venues including residential settings (adults and children's), youth and community centres and one off local events. Although each digital inclusion programme will be co-designed with external partners, the Library Service and HALS envisage the digital inclusion activity focusing on helping participants access local services, secure advice (on matters ranging from employment to debt, fuel poverty or domestic violence), manage shopping and finances, upgrade their work-related digital skills through formal training, become more active citizens, stay connected to their families and communities, inform local placemaking activity and stay safe online through building media/information literacy. This bid is funded by Council borrowing.</p>	Housing Regen and Planning	46	0	0	0	0	46	3	LBH Borrowing
<p><u>Highways Asset Maintenance Programme</u> Local authorities are legally obliged to maintain their respective highways, providing safe and expedient movement to, from and around their networks. Decisions on the way the Council manages its highways have economic, social, and environmental impacts and need to be made carefully. For example, for every £1 invested in highway maintenance, the Department for Transport considers a minimum net local economic benefit yield of £4. Recent condition surveys have indicated there is a need for investment in the borough's highway assets. This bid is funded by Council borrowing for the first year (2022/23). Thereafter it has been assumed that there will be grant funding available to undertake the work.</p>	Environment & Neighbourhood	3,985	3,985	3,985	3,985	3,985	19,925	219	LBH Borrowing & External Grant
<p><u>Web And Self Service Projects</u> The Council needs to invest in new self-service capabilities that provide for seamless modern interfaces from our web offer. We need to consolidate to work towards a single view of our customers. The investment will enable more efficient ways of working and improve the availability and quality of online services. It will also look to identify where any cost efficiencies can be realised or redeployed. This bid is funded by Council borrowing.</p>	Customers Transformation and Resources	1,000	750	0	0	0	1,750	96	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>Automation Solutions</u></p> <p>This bid is for funding to trial and implement impactful automation solutions for the Council and provide new solutions using a set of standardised automation platforms for our customers and businesses. This bid is funded by Council borrowing.</p>	Customers Transformation and Resources	250	250	0	0	0	500	28	LBH Borrowing
<p><u>EDM (Enterprise Data Management) Project</u></p> <p>This scheme will provide resourcing for data management projects in order to ensure Council processes remain efficient and the organisation is able to make the best use of its data to inform service management and decision making. This project includes resourcing the new procurement system required, due to legislative changes. This bid is funded by Council borrowing.</p>	Customers Transformation and Resources	1,000	1,000	500	0	0	2,500	138	LBH Borrowing
<p><u>Data Centre and New Civic Centre</u></p> <p>This bid allows for the move of the data centre from River Park House. This work includes capital project resource costs, wi-fi-installation, comms line moves, data centre creation, generator moves, air conditioner moves or purchase, AV systems and possible other software solutions. This bid is funded by Council borrowing.</p>	Customers Transformation and Resources	1,500	1,000	1,500	500	0	4,500	248	LBH Borrowing
<p><u>Asset Management of Council Buildings</u></p> <p>This bid is for ongoing investment in the Council's built assets held in the corporate / operational estate. This includes the repair, refurbishment or replacement of fixed assets including M&E, and building fabric, to ensure the buildings remaining in an operationally acceptable state and support the Council's accommodation strategy and the Council's service delivery buildings. It may also include minor works to deliver improvements, alterations and funding for essential safety & compliance works. This bid is funded by Council borrowing.</p>	Housing Regen and Planning	4,700	3,000	1,500	2,100	2,000	13,300	732	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<p><u>Civic Centre Annex</u></p> <p>The estimated cost of the overall Civic Centre & Civic Centre Annex project is currently estimated at £54m. There is currently £24m within the approved GF capital programme. This bid is to ensure that there is sufficient budget provision to complete the project. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the savings achieved after paying back the cost of financing the investment.</p>	Housing Regen and Planning	9,000	9,000	9,000	2,500	500	30,000		Self-Financing
<p><u>Road Casualty Reduction</u></p> <p>Haringey Council is committed to improving road safety for all users and, in particular, to provide improved conditions for vulnerable road users, cyclists and pedestrians in the Borough. The Council is producing a Road Safety Strategy and Action Plan (RSSAP) to support Vision Zero. The RSSAP will assist in prioritising future infrastructure investment (e.g. locations of new crossings etc) that require an improved facility or safety measures, and make improvements to walking and cycling routes and facilities within the Borough. The RSSAP will include accident and casualty data analysis to devise a ranking system to identify the locations and priority order for future road accident reduction engineering projects and associated infrastructure spend.</p> <p>This bid is funded by Council borrowing for the first year (2022/23). Thereafter it has been assumed that there will be grant funding available to undertake the work.</p>	Environment & Neighbourhood	1,600	1,600	1,600	1,600	1,600	8,000	88	LBH Borrowing & External Grant
<p><u>Wildflower Meadow Planting</u></p> <p>The Council is developing a new Biodiversity Action Plan (BAP) as part of its Parks and Greenspaces Strategy, a key plank of the BAP will be the diversification of the landscape within Haringey to support a greater range of species and habitats. This proposal seeks to support the establishment of a wide range of meadow habitats at different scales. There is significant opportunity for community involvement in the establishment and management of meadows. This is a 2 year pilot - of a proposed 5 year programme following outcome of pilot. This bid is funded by Council borrowing.</p>	Environment & Neighbourhood	80	80	0	0	0	160	9	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing, TBC)
<u>Capital Programme Contingency</u> This proposal is for the creation of capital contingency in the capital programme to assist in managing any unforeseen variations. This bid is funded by Council borrowing.	Customers Transformation and Resources	1,000	0	0	0	0	1,000	55	LBH Borrowing
		27,673	26,785	23,693	13,293	10,938	102,382	2,277	

Engagement & Consultation Plan

BUDGET CONSULTATION 2022/23

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Statutory Consultation

The plan for the statutory consultation on the 2022/23 draft Budget and Medium Term Financial Strategy (MTFS) for 2022/23-2026/27 is aligned to the Council's priorities.

The council consults local people and businesses on its budget proposals every year before they are approved at Full Council in February.

The process starts with the publication of the December budget report and will end in time for the consultation results to inform the February report. As such, the consultation will begin on **8th December 2021** and will end on **12th January 2022**.

A budget booklet will outline our current financial position, our long-term financial strategy, and budget proposals for 2022 and beyond, linked to the council's priorities, and previous findings from engagement with residents.

Proposed Activity for Statutory Consultation

During this consultation exercise, as part of our public sector duty, we will be assessing feedback with a focus on the perceived implications of the proposals for groups with protected characteristics, including any potential cumulative impact of these decisions.

Consultation Materials	<ul style="list-style-type: none"> • <i>Budget booklet – print and online. Printed version will be available at local libraries and upon request</i> • <i>Videos for our website and for social media</i>
Questionnaire	<ul style="list-style-type: none"> • <i>Accompanying questionnaire – print and online</i> • <i>Questionnaire will seek general views on the budget proposals</i>
Publicity and press	<p><i>We will publicise the consultation and promote participation through:</i></p> <ul style="list-style-type: none"> • <i>Press release</i> • <i>Haringey People</i> • <i>Haringey People Extra (4000 subscribers)</i> • <i>Social media platforms – Twitter and Facebook</i> • <i>In Haringey (newsletter for internal staff; will be aimed at those staff who are residents)</i> • <i>Feature on external website carousel on homepage</i> • <i>Out Of Home (OOH) advertising</i>
Dedicated webpage	<ul style="list-style-type: none"> • <i>Consultation booklet</i> • <i>Online questionnaire</i> • <i>Homepage feature on our external site</i> • <i>Section alerts across related webpages</i> • <i>A link to the page will also feature on the council's main consultation page</i>
Email consultation	<p><i>Consultation will be sent directly to key stakeholders:</i></p> <ul style="list-style-type: none"> • <i>Resident groups</i> • <i>Traders / business alliances</i> • <i>Partners</i> • <i>VCS Groups</i>

<i>Citizens' Panel</i>	We will use the Citizens' Panel to increase awareness and build collaboration on the delivery of this consultation. The Citizens' Panel includes over 1000 local residents and we will leverage this to increase responses to the consultation.
<i>People registered to My Account</i>	We will send the link to the online consultation direct to those residents who have a My Account and have agreed to receive information from the council. Again to build awareness and increase response rates – My Account currently has over 4000 residents agreed to receive further information.
<i>Businesses</i>	Our consultation with businesses will be done through business-specific questionnaires and/or surveys. These will be publicised through the Business Bulletin. There is also the opportunity to utilise the business breakfast if appropriate.
<i>VCS and communities</i>	Disseminating the consultation collateral, and any other links, to specific groups through group-specific publications including translating materials where needed. Also liaising with the Bridge Renewal Trust to send through their channels.
<i>Accessibility</i>	All documents and questionnaires will be provided in alternative formats (I,e, large fonts, audio files etc) as well as an explanation of what the document (provided in key community languages) along with an offer it to be translated. The main webpage will also be suitable for Google Translate to convert into the user's chosen language.

Who will we engage with?

- Residents
- Businesses (through our business breakfast and bulletin)
- Partners including VCS groups (via disseminating our consultation material)

Report for: Overview & Scrutiny Committee 20 January 2022

Title: Treasury Management Strategy Statement 2022/23

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions & Treasury
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 To present the Treasury Management Strategy Statement for 2022/23 to this Committee for scrutiny before it is presented to Corporate Committee and then Full Council for final approval.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Overview and Scrutiny Committee is requested to scrutinise and provide any comments on the proposed updated Treasury Management Strategy Statement for 2022/23 prior to its presentation to Corporate Committee and Council for approval.

4. Reasons for decision

4.1 The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year.

5. Alternative Options Considered

5.1 None

6. Background information

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

6.2. The key updates to the proposed strategy being considered are summarised below:

- The Treasury Management Strategy Statement sets out a five year position throughout the report, which better aligns with the Council's medium term financial strategy and budget report.
- Now that PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield, a practice not previously undertaken by this Council, the strategy makes clear the Council's intention to continue to avoid this activity in order to retain its access to PWLB loans.
- The strategy maintains the maximum limit of £5m on any single investment on the basis that the Council's treasury reserve is of this level.

7. Contributions to Strategic Outcomes

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

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

Finance and Procurement

8.1 The approval of a Treasury Management Strategy Statement is a requirement of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code.

8.2 Financial Comments are contained throughout the treasury management strategy statement.

Legal

8.3 The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing is set out in legislation.

8.4 The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the "Prudential Code for Capital Finance in Local Authorities" as published by CIPFA from time to time.

8.5 As mentioned in this report the CIPFA Treasury Management Code of Practice requires the Council to agree a Treasury Management Strategy Statement (TMSS) (including an Investment Strategy). In considering the report Members must take into account the expert financial advice available and any further oral advice given at the meeting of the Committee.

Equalities

8.6 There are no equalities issues arising from this report.

9. Use of Appendices

9.1 Appendix 1 – Treasury Management Strategy Statement 2022/23.

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.

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London Borough of Haringey

Treasury Management Strategy Statement 2022/23

1. Introduction

- 1.1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3. Investments held for service purposes or for commercial profit are considered are considered in section 6 of this report, in line with the 2018 MHCLG Guidance.

2. External Context – provided by the Council's appointed treasury advisor, Arlingclose

Economic background

- 2.1. The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 2.2. In December 2021, the Bank of England (BoE) increased Bank Rate to 0.25% while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
- 2.3. Within the announcement, the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with its expectations. However, with the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%.
- 2.4. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.
- 2.5. UK CPI for November 2021 recorded an increase of 5.1% year-on-year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% year on year from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 2.6. In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay

growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

- 2.7. Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% rise over the quarter. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 2.8. GDP growth in the euro zone increased by 2.2% in Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% year-on-year in November, the fourth month of successive increases from July's 0.7% year-on-year. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.
- 2.9. The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% interest rate movements now expected by the markets.

Credit Outlook

- 2.10. Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 2.11. The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 2.12. Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast

- 2.13. The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in the first quarter of 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

- 2.14. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.
- 2.15. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 2.16. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.
- 2.17. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.50%, and that new long-term loans will be borrowed at an average rate of 3.00%.

3. Local Context

- 3.1. On 30th November 2021, the Authority held £617.2m of borrowing and £10.1m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast (Capital Financing Requirement)

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund CFR	505.5	656.1	819.0	966.0	1,057.8	1,098.4	1,085.4
HRA CFR	332.3	405.0	558.1	860.2	1,110.9	1,212.3	1,262.4
Total CFR	837.8	1,061.1	1,377.1	1,826.2	2,168.7	2,310.7	2,347.8
Less: Other debt liabilities*	-27.3	-23.5	-19.5	-15.3	-10.9	-8.4	-7.9
Loans CFR	810.5	1,037.6	1,357.6	1,810.9	2,157.8	2,302.3	2,339.9
Less: Internal borrowing	-254.6	-145.8	-151.4	-169.7	-175.5	-180.2	-184.0
CFR Funded by External Borrowing	555.9	891.8	1,206.2	1,641.2	1,982.3	2,122.1	2,155.9
Breakdown of External Borrowing:							
Existing borrowing**	555.9	655.9	569.5	543.3	531.6	522.1	512.6
New borrowing to be raised	-	235.9	636.7	1,097.9	1,450.7	1,600.0	1,643.3

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

- 3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3. The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £1,643.3m over the forecast period.

- 3.4. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during the course of the MTFS.
- 3.5. The capital plans which underpin the borrowing requirement above are dealt with in the council's main budget report (in particular the Capital Strategy section). The Authority's capital programme is robustly scrutinised and tested to ensure that the capital plans are affordable and prudent. The above shows the five-year effects of the Authority's capital programme, however all capital plans are assessed in their entirety (i.e. some schemes are for a greater than five year time frame).
- 3.6. The breakdown of the borrowing position at each financial year end for both the General Fund and the HRA is shown below:

Table 2: Year-end Borrowing Position Summary

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund borrowing	281.4	499.7	667.4	820.6	916.7	958.6	945.8
HRA borrowing	274.5	392.1	538.8	820.6	1,065.6	1,163.5	1,210.1
Total borrowing	555.9	891.8	1,206.2	1,641.2	1,982.3	2,122.1	2,155.9

4. Borrowing Strategy

- 4.1. The Authority estimates that it will hold £656m of loans as part of its strategy for funding previous years' capital programmes at 31 March 2022. The balance sheet forecast in table 1a shows that the Authority expects to increase its borrowing by up to £637m by the end of 2022/23. The Authority may also borrow additional sums to reduce its existing internal borrowing to satisfy future years' borrowing requirements, providing this does not exceed the authorised limit for borrowing as set out in table 3 of this report.

Objectives

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

Strategy

- 4.3. Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The size of the Council's capital programme, and the need to diversify the Council's debt portfolio to further minimise refinancing risk means that long term borrowing will be required during 2022/23. Therefore, the Authority's strategy will be to fulfil its borrowing requirement during the financial year with a mixture of short and long term borrowing.
- 4.4. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow using short-term loans to finance the General Fund's capital programme. However, a significant portion of the HRA capital programme will continue to be financed by long-term borrowing, in line with the HRA business plan.
- 4.5. By doing so, the Authority aims to reduce net borrowing costs. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by

deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

- 4.6. The Authority has in recent years raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and may investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority has not done this in the past and has no plans to engage in such activity, and will therefore retain its access to PWLB loans.
- 4.7. Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

Sources of Borrowing

- 4.8. The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except Haringey Pension Fund and the London Collective Investment Vehicle)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other Sources of Debt Finance

- 4.9. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - Hire purchase
 - Private Finance Initiative
 - Sale and lease back

Municipal Bonds Agency

- 4.10. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report.

LOBOs

- 4.11. The Authority holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £50m of these LOBOs have options during 2022/23, and although the Authority

understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so, however, it recognises that lenders are highly unlikely to offer this while the interest rates on existing loans remain above prevailing rates.

- 4.12. Some LOBO lenders are now open to negotiating premature exit terms from LOBO loans via payment of a premium to the lender. Haringey Council's policy will be to exit LOBO agreements if the costs of replacing the loans, including all premium, transaction and funding costs, generate a material net revenue saving for the Authority over the life of the loan in net present value terms, and all costs are consistent with Haringey's approved medium term financial strategy. The decision to repay a LOBO loan will be determined by the S151 Officer, in line with Haringey's constitution.
- 4.13. When loans are prematurely repaid, there is usually a premium payable to the lender, to compensate them for interest forgone at the contractual rate, where prevailing interest rates are lower. Haringey would need to refinance LOBOs by raising borrowing for both the original sum borrowed, and the premium payable to the lender. However, this type of arrangement can prove beneficial where interest savings exceed premium costs. Replacing LOBOs, that contain an option for lenders to increase the rate, with fixed rate debt will reduce refinancing and interest rate risk.
- 4.14. As the Council's borrowing portfolio grows in line with its capital spending plans, the LOBOs will continue to shrink as a proportion of the Authority's total borrowing.

Short-term and Variable Rate Loans

- 4.15. These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt Rescheduling

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

Borrowing Limits

- 4.17. The council's total borrowing limits are set out in table 3 on the following page.
- 4.18. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e., not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The indicator separately identifies borrowing from other long term liabilities such as finance leases. The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 4.19. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit. The Operational Boundary and Authorised Limit apply at the total level.

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

Table 3: Borrowing Limits

	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m	2026/27 Limit £m
Authorised limit - borrowing	1,272.4	1,287.7	1,740.9	2,087.8	2,232.3	2,269.8
Authorised limit - PFI & Leases	31.0	25.7	20.2	14.4	11.1	10.5
Authorised limit - total external debt	1,303.4	1,313.4	1,761.1	2,102.2	2,243.4	2,280.3
Operational boundary - borrowing	1,222.4	1,237.7	1,690.9	2,037.8	2,182.3	2,219.8
Operational boundary - PFI & Leases	28.2	23.4	18.4	13.1	10.1	9.5
Operational boundary - total external debt	1,250.6	1,261.1	1,709.3	2,050.9	2,192.4	2,229.3

5. Treasury Investment Strategy

- 5.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £10.1 and £44.9 million, and similar levels are expected to be maintained in the forthcoming year. It is a requirement of the Markets in Financial Instruments Directive II (MiFID) that the Council maintains an average investment balance of at least £10m, in order to maintain professional client status (see also paragraph 11.7)

Objectives

- 5.2. The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates

- 5.3. The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy

- 5.4. Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to maintain its policy of utilising highly creditworthy and highly liquid investments such as loans to other local authorities, AAA rated money market funds and

the Debt Management Office (part of HM treasury). If the Authority were to consider diversifying into more secure and/or higher yielding asset classes during 2022/23, in particular for the estimated £10m that is available for longer-term investment due to being required for the MiFID professional client status, this would be the subject of further reports as it would represent a change in the treasury investment strategy.

Business Models

- 5.5. Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

- 5.6. The Authority may invest its surplus funds with any of the counterparty types in table 4 below, subject to the limits shown.

Table 4: Treasury Investment Counterparties and Limits

Sector	Time Limit	Counterparty Limit	Sector Limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£5m	Unlimited
Banks (secured)*	2 years	£5m	Unlimited
Banks (unsecured)*	13 months	£5m	Unlimited
Building societies (unsecured)*	13 months	£5m	£20m
Registered providers (unsecured)*	5 years	£5m	£20m
Money Market Funds	n/a	£5m	Unlimited
Strategic Pooled Funds	n/a	£5m	Unlimited
Real Estate Investment Trusts	n/a	£5m	Unlimited

Minimum Credit Rating

- 5.7. Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Government

- 5.8. Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Bank Secured Investments

- 5.9. Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the

collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and Building Societies (unsecured)

- 5.10. Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered Providers (unsecured)

- 5.11. Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money Market Funds

- 5.12. Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over banks of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Pooled Funds

- 5.13. Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real Estate Investment Trusts

- 5.14. Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational Bank Accounts

- 5.15. The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk Assessment and Credit Ratings

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

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

5.17. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

5.18. The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

5.19. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

5.20. The Authority’s revenue reserves available to cover investment losses are forecast to be £5 million on 31st March 2022. In order that no more than 100% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

5.21. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 5: Additional Investment Limits

	Cash Limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£5m per broker
Foreign countries	£5m per country
Registered providers and registered social landlords	£5m in total

Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£5m in total
Money market funds*	£25m in total
Real Estate Investment Trusts	£5m in total

* These limits apply for both Haringey Council and Haringey Pension Fund, so the limit for Money Market Funds is £5m per MMF and £25m aggregate limit for the Council, and £25m for the Pension Fund.

Liquidity Management

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

6. Investment Strategy

Non-Treasury Management Investments

- 6.1. The Authority invests its money for three broad purposes:
- **Treasury management investments** – where the Authority has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure,
 - **Service investments** – to support local public services by lending to or buying shares in other organisations,
 - **Commercial investments** – where the main purpose of the investment is to earn an investment income
- 6.2. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

- 6.3. The Authority typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £10 million and £50 million during the 2022/23 financial year.
- 6.4. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 6.5. **Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in the previous section, section 5 of this report

Service Investments

- 6.6. **Contribution:** The Council lends money to third parties such as its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.
- 6.7. **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, it will be ensured that any new loans made will remain proportionate to the size of the Authority. Balances as at 31 March 2021 were as follows:

Table 6: Loans for service purposes in £ millions

Category of borrower	31.03.21 Balance £m	Loss allowance £m	31.03.21 Net figure in accounts £m
Subsidiaries	17.5	0.0	17.5
Local Businesses	2.1	-0.7	1.4
Local Charities	49.3	-43.5	5.8
Local Residents	0.1	0.0	0.1
Total Investments	69.0	-44.2	24.8

- 6.8. The largest balance above relates to Alexandra Palace debts (shown under local charities). There are historic debt balances owed by the Trust that have not been legally discharged, totalling £49.3m. Much of this loan, £43.1m, is legally outstanding but does not currently have repayments being made, this debt dates back to previous decades when the Authority, Haringey Council, expended funds on behalf of the Trust. Although the £43.1m debt has not been legally discharged, the Authority has agreed that it will only seek to recover this when the Trust is in a position to repay amounts due.
- 6.9. The remainder of the outstanding amount are more recent loans relating to works carried out on the Ice Rink and West Storage Yard – these are being repaid in line with the original loan agreements. Loans issued to local business are arranged through the Opportunity Investment Fund.
- 6.10. Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2020/21 onwards are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 6.11. **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by weighing up the service outcomes any such loan could provide against the creditworthiness of the recipient. This is done on a case-by-case basis, given the low number of such arrangements. This forms part of the Authority's capital programme, further details of which are in the Authority's annual medium term financial strategy.

Commercial Investments: Property

- 6.12. **Contribution:** The Authority holds properties which are classified as 'investment properties' in the Authority's statement of accounts. These properties are all within the local area, therefore contributing to the Council's local placemaking duties, and include approximately 200 shops, offices and other commercial premises. The revenue stream associated with these (net of the costs of maintaining the properties) forms part of the Council's annual budget, therefore contributing to the resources available to the Council to spend on local public services. Any future acquisitions that the Council makes in this area will be made with reference to the CIPFA Prudential Property Investment guidance issued in 2019.
- 6.13. The value of investment properties disclosed in the 2020/21 statement of accounts was £88.6m.

7. Capacity, Skills, Culture and Advice

- 7.1. CIPFA's Treasury Management Code of Practice requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities

- 7.2. Given the significant amounts of money involved, it is crucial members have the necessary knowledge to take treasury management decisions. Training sessions are arranged for members to keep their knowledge up to date
- 7.3. The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.
- 7.4. The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is reviewed by the Authority's treasury management staff.
- 7.5. Appropriately skilled and experienced finance and legal staff members work with service departments to ensure that the risks associated with any projects they undertake, and compliance with regulation and statutory guidance are properly understood and form a key consideration in any decision-making process.
- 7.6. The Council's constitution has clearly defined roles and responsibilities for treasury management responsibilities, both for members, committees, and officers.

8. Investment Indicators

- 8.1. The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure because of its investment decisions.
- 8.2. **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses.

Table 7: Total Investment Exposure

Investment Type	31.03.21 Actual £m	31.03.22 Forecast £m	31.03.23 Forecast £m
Treasury management investments	17.0	15.0	15.0
Service investments: loans	24.8	24.8	24.8
Commercial investments: property	88.6	88.6	88.6
Total Investments	130.4	128.4	128.4

- 8.3. **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 8: Investments Funded by External Borrowing

Investment Type	31.03.21 Actual £m	31.03.22 Forecast £m	31.03.23 Forecast £m
Treasury management investments	0.0	0.0	0.0
Service investments: loans	17.0	21.3	22.0
Commercial investments: property	60.8	76.2	78.7

Total Investments	77.8	97.4	100.7
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- 8.4. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 9: Investment Rate of Return

Investment Type	31.03.21 Actual	31.03.22 Forecast	31.03.23 Forecast
Treasury management investments	0.44%	0.50%	0.50%
Service investments: loans	0.77%	0.77%	0.77%
Commercial investments: property	6.20%	4.00%	4.00%
Total Investments	4.42%	2.97%	2.97%

9. Treasury Management Prudential Indicators

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

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

Credit Risk Indicator	Target
Portfolio average credit rating	Above A-, score of 7 or lower

- 9.3. **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3-month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£10m

- 9.4. **Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Target
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£2m

- 9.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

- 9.6. **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing Rate Risk Indicator	Upper Limit	Lower Limit
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Under 12 months	50%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	100%	0%

- 9.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.
- 9.8. **Total short-term borrowing:** The Council has used short term borrowing (under 1 year in duration) from other local authorities extensively in recent years, as an alternative to longer term borrowing from PWLB, due to the lower interest rates, and corresponding revenue savings. Short term borrowing could also be raised from other counterparties such as banks. Short term borrowing exposes the Council to refinancing risk: the risk that interest rates rise quickly over a short period of time and are at significantly higher rates when loans mature, and new borrowing has to be raised. With this in mind, the Authority will set a limit on the total amount of short-term borrowing that has no associated protection against interest rate rises, as a proportion of all borrowing.

Short term borrowing	Target
Upper limit on short term borrowing that exposes the Council to interest rate rises as a percentage of total borrowing	30%

- 9.9. **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price Risk Indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£10m	£10m	£10m

10. **Minimum Revenue Provision Policy Statement**

- 10.1. Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 10.2. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 10.3. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.
- 10.4. The Council's MRP policy was reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent provision for repayment of borrowed capital. The revised policy, which took effect from 1 April 2016, ensured that

provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

- 10.5. The Council calculates MRP on historic debt based on the Capital Financing Requirement (CFR) as at 1 April 2007 at 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.
- 10.6. The historic MRP policy for borrowing incurred before 2007/08 led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. This resulted in a cumulative charge at 31 March 2016 that was in excess of what is considered prudent and appropriate under the current policy. To reflect the historic over-provision the Council undertakes an annual review to determine whether to make a realignment of MRP charged to the General Fund, using the policy set out above, to recognise the excess sum charged to that point.
- 10.7. The following conditions will apply to the annual review:
- Total MRP after applying realignment will not be less than zero in any financial year.
 - The cumulative total of the MRP realignment will never exceed the amount of historical over-provision calculated to 31 March 2016.
- 10.8. The table on the following page summarises the historic overprovision position on pre 2008 General Fund expenditure:

Table 10: Summary of historic overprovision of MRP on pre 2008 GF expenditure

	£m
MRP provided between 2008-2016 under previous policy to 31.3.2016	78.0
MRP required to be provided between 2008-2016 under current policy	45.2
Overprovision as at 31.3.2016	32.8

- 10.9. The remaining overprovision of MRP as at 31.3.2021 was £7.8m. The estimated MRP charges relating to pre 2008 general fund expenditure are summarised in the table below, due to the historic overprovision, MRP charges are estimated to be nil until part way through 2022/23 at which point the historic overprovision will be cleared.

Table 11: Estimated MRP charges on GF pre 2008 expenditure

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
MRP charge on pre-2008 GF expenditure	5.0	5.0	5.0	5.0	5.0	5.0
Less: Historic overprovision	-5.0	-2.7	0.0	0.0	0.0	0.0
Net MRP charge for pre 2008 expenditure	0.0	2.3	5.0	5.0	5.0	5.0

General Fund MRP policy: prudential borrowing from 2007/08

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

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

HRA MRP Policy

- 10.14. There is no statutory requirement to make an annual MRP charge for HRA assets, and the Authority does not currently plan to do this given the current low level of debt per property that the Council holds, and the fact that sums charged as depreciation in the HRA are spent on major repairs to the Authority's housing stock to ensure they remain in suitable condition. This policy will be kept under annual review.

Concession Agreements

- 10.15. MRP in relation to concession agreements (e.g., PFI contracts) and finance leases are calculated on an asset life method using an annuity repayment profile, consistent with the method for all prudential borrowing since 2007/08. Estimated life periods will be determined under delegated powers.

Finance Leases

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

Statutory capitalisations

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

11. Related Matters

- 11.1. The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives

- 11.2. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism*

Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

- 11.3. The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 11.4. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk will be included to count against the counterparty credit limit and the relevant foreign country limit.
- 11.5. In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account

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

Markets in Financial Instruments Directive

- 11.7. The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance (S151 Officer) believes this to be the most appropriate status.

12. Revenue Budget Implications

- 12.1. The budget for investment income in 2022/23 is £75k based on an average investment portfolio of £15 million at an interest rate of 0.50%. This is assumed to remain constant throughout the MTFS.
- 12.2. The budget for debt interest paid in 2022/23 is detailed in the table 12 below for both the General Fund and HRA. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.
- 12.3. Table 12 demonstrates the revenue budgets in both the General Fund and HRA for both interest costs on borrowing, and Minimum Revenue Provision charges. The Council's capital programme is moving to a financing strategy that seeks to ensure that investment via the capital programme is self-financing. 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. The level of these savings is demonstrated in the table below.

Table 12: Revenue budget for interest costs and MRP:

	2021/22 Forecast £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m
MRP - pre 2008 expenditure	0.0	2.3	5.0	5.0	5.0	5.0
MRP - post 2008 expenditure	8.7	11.1	14.4	18.4	21.6	23.9
Total MRP	8.7	13.4	19.4	23.4	26.6	28.9
Interest Costs (GF)	8.6	11.3	14.8	17.0	18.2	18.5
Total Gross Capital Financing Costs (GF)	17.3	24.7	34.2	40.4	44.8	47.4
Offsetting Savings for self-financing schemes	-5.2	-8.9	-12.1	-15.1	-18.7	-18.1
Total Net Capital Financing Costs (GF)	12.1	15.8	22.1	25.3	26.1	29.3
Interest Costs (HRA)	16.2	16.3	22.7	27.5	30.0	31.5

13. Other Options Considered

- 13.1. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance (S151 Officer), having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

Appendix A – Arlingclose Economic & Interest Rate Forecast - December 2021**Underlying assumptions:**

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and is expected to rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- The factors outlined above prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty. Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market rate													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
 PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
 PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

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Report for: Overview and Scrutiny Committee 20 Jan 2022

Title: 2021/22 Finance Update Quarter 2 (Period 6)

Report

Authorised by: Jon Warlow – Chief Finance Officer & Section 151 Officer

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

Ward(s) Affected: N/A

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

1. Introduction

- 1.1 This budget report covers the position at Quarter 2 (Period 6) of the 2021/22 financial year including General Fund (GF) Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budgets. The report focuses on significant budget variances including those arising as a result of the forecast non-achievement of approved MTFS savings as well as the best estimates of the ongoing impact of the Covid-19 pandemic (C19) on the Council's financial plans.
- 1.2 The Budget/Medium Term Financial Strategy (MTFS) 2021/22-2025/26 report agreed by Full Council in March 2021 continued to assume that the Council could rely on general and specific grants from government to address the financial impact of the pandemic on 2021/22 budgets. The Budget also continued to acknowledge and respond to forecast demands and take as realistic a view of its circumstances as possible and as a consequence £8.6m (before savings) was invested primarily into Adults and Children's services.
- 1.3 The forecasts provided in this report are as up to date as possible and continue to differentiate between the impact of Covid-19 on agreed budgets and MTFS savings as distinct from other base budget issues. The former are based on the most recent (September 2021) return to central government (i.e. at month 6 of the financial year) although it should be noted that there still remains uncertainty about the eventual impact of the pandemic on the final 2021/22 outturn position.
- 1.4 The overall forecast General Fund variation from budget for the year as at Qtr2 stands at **£23.0m (£19.2m Qtr1)** with **£12.87m (£13.9m Qtr1)** attributable to C19 and **£10.2m (£5.2m Qtr1)** base budget pressure. This represents a significant step up in the base budget pressure from the previous Qtr and the pressures impact a wider range of priorities. Action must be taken now to identify and implement mitigating action to reduce this figure down. In terms of C19, the financial impact appears to have stabilised and the £9.1m un-ringfenced emergency C19 grant plus other specific grants and income compensation are still expected to offset the **£12.87m** in full.
- 1.5 The financial pressure on the DSG budgets has not abated and at Qtr2 **£6.98m** overspend is forecast (£6.6m Qtr1). The Council is currently finalising the DSG Management Plan which will be a live document that will be shared periodically with the

DfE. This remains a national issue impacting many councils which the Government will need to address.

- 1.6 Excluding framework budgets which are held to allow the Council to respond to opportunities, the spend forecast in the 2021/22 capital programme has reduced this Qtr to 62% of budget (67% Qtr1).

2. **Cabinet Member Introduction**

- 2.1 This report provides an update on our in year financial position, as at the second quarter of the financial year. The report presents both base budget variations, and those which are exceptional, and are directly related to the pandemic.
- 2.2 Unfortunately, the overall general fund revenue position has worsened from the first quarter of the financial year, largely due to the ongoing impacts of Covid on our demand led services, which we now have a greater knowledge of. Council officers will do all they can to reduce the level of overspend reported as much as possible. Directors have been asked to review their plans for mitigating overspends, and review what further actions their services can take. This will be reported on in future reports to cabinet.
- 2.3 As regards the pandemic related pressures, at the time of writing these have stabilised, and we anticipate that the in-year impact of the pandemic will be offset by various government funding streams; however, a great deal of uncertainty surrounds how the pandemic will unfold over the remaining course of the year, and the impact this will have on our finances. The Council will continue to monitor and report on this as we continue through the year.

3. **Recommendations agreed by Cabinet on the 7th of December 2021**

- 3.1. Note the forecast base budget revenue outturn for the General Fund of **£10.2m** and that Directors are seeking actions to bring the forecast down before the end of the year. (Section 6, Tables 1a and 1b, and Appendix 1).
- 3.2. Note that the **£12.87m** forecast Covid pressure on the GF is expected to be offset by Government funding (Section 6 and Table 1a).
- 3.3. Note the net Housing Revenue Account (HRA) forecast of £1.0m overspend (Section 6 and Appendices 1 and 2).
- 3.4. Note the net DSG forecast of £6.98m overspend. (Section 6 and Appendix 1).
- 3.5. Note the forecast budget savings position in 2021/22 which indicates that £5.8m (55%) may not be achieved. (Section 6 and Appendix 3). This is incorporated in the GF budget pressures addressed in recommendations 3.1 and 3.2 above.
- 3.6. Approve the proposed budget adjustments and virements to the capital programme as set out in Table 2 and Appendix 6.

- 3.7. Note the forecast expenditure of £287m in 2021/22 which equates to 62% of the revised capital budget (Section 8 and Appendix 4).
- 3.8. To approve the revenue budget virements and receipt of grants as set out in Appendix 6.
- 3.9. To note the debt write-offs approved by officers in Quarter 2 2021/22 (Appendix 7).
- 3.10. To note the C19 grants schedule (Appendix 8).

4. Reason for Decision

- 4.1 A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the council's priorities and statutory duties. This is made more critically important than ever as a result of the on-going financial implications placed on the Council by the Covid-19 crisis.

5. Alternative Options Considered

- 5.1 The report of the management of the Council's financial resources is a key part of the role of the Director of Finance (Section 151 Officer) in helping members to exercise their role and no other options have therefore been considered.

6. Revenue Outturn

6.1. Covid -19 Financial Impact

- 6.1.1 As highlighted in Section 1 above, the Council continues to plan on the basis that government support will offset the forecast financial impact of C19 which was the case for 2020/21. However, it remains imperative that the forecast impact on agreed plans is carefully monitored throughout the year alongside receipt of government funding.
- 6.1.2 Table 1a below summarises the forecast C19 pressure on the GF and government funding assumed at Qtr2.

Table 1a

	P6	P3	Movement
General Fund	2021/22	2021/22	2021/22
	(£m)	(£m)	(£m)
Covid Pressure	12.87	13.95	1.08
Less: Un-ringfenced Emergency Grant received	(9.10)	(9.10)	0.00
Less: Income Loss Compensation Grant estimate	(2.70)	(2.52)	0.18
Government Funding Assumed	1.07	2.34	1.26

- 6.1.3 It should be stressed that the impact of C19 on the Council's **Collection Fund** continues, with in year collection estimated at 95.5% for Council Tax and 94% for Business Rates well below the 96.5% & 98% targets pre-pandemic. The Council

received £3.6m Local Council Tax Support grant for 2021/22 which Haringey plans to utilise to fund increased CTRS claimant numbers (and therefore reduced Council Tax collection). The Introduction of a Local Welfare Assistance Scheme, Haringey Strategy for Tacking Debt and Haringey Ethical debt Reduction Policy are tools being used to support residents struggling financially. Government S31 grants continue to be paid to offset the on-going reliefs provided to businesses which continue to be significantly impacted by the pandemic.

6.1.4 The 2021/22 Budget and MTFS assumed lower collection rates for both of these revenue streams and bad debt provisions overall were augmented as part of the 2020/21 account closure process. The impact of lower than planned collections will manifest on GF revenue budgets in 2022/23 and 2023/24 and therefore any forecasts at variance to current assumptions will need to be built into the 2022/23 Budget and MTFS refresh.

6.2 General Fund Forecasts

6.2.1 Table 1b below sets out full year projections at priority level.

Table 1b – Revenue Budget Monitoring Forecast for Quarter 2 2021/22

Priority	Revised 2021/22 Budget £'000	Total SAP Forecast £'000	Base Budget Pressure / (Saving) £'000	Covid Pressure £'000	P6 Total Variance £'000	P3 Total Variance £'000	Movement P3 to P6 £'000
Housing	17,317	18,533	18	1,197	1,215	1,219	(3)
People - Children's	65,759	72,798	3,988	3,051	7,039	5,824	1,215
People - Adults	87,700	94,348	4,977	1,671	6,648	2,864	3,784
Place	29,780	35,365	1,138	4,447	5,585	6,494	(909)
Economy	5,294	8,348	1,806	1,247	3,053	1,735	1,318
Your Council-Service	8,731	11,180	1,193	1,257	2,450	1,544	906
Your Council-Corporate	34,495	31,545	(2,950)	0	(2,950)	(519)	-2,431
General Fund Total (before funding & DSG)	249,076	272,116	10,170	12,870	23,040	19,160	3,880
External Finance	(249,076)	(249,076)	0	0	0	0	0
General Fund Total		23,040	10,170	12,870	23,040	19,160	3,880
DSG	203,076	210,063	6,987	0	6,987	6,579	409
HRA	104,455	105,499	1,044	0	1,044	614	430
Haringey Total	307,530	338,602	18,202	12,870	31,072	26,353	4,719

6.2.2 The increase in base budget forecast pressures is of concern. With a sizeable structural funding gap forecast in future years, it is critical that services remain as closely within their agreed 2021/22 budgets as possible. The social care services have seen a significant step up in demand since Qtr1, a fair element of which appears to be due to the legacy impact of C19. These are pressures not expected to be met by Government this year as they are consequential, rather than direct.

6.2.3 A further emerging pressure has been highlighted in the Temporary Accommodation budgets which has seen a significant reduction in rent collection rates. This is cause of considerable concern and is being investigated to properly understand the implications for the final YE position and what mitigating action has, and can be, taken.

- 6.2.4 It should also be noted that the £10.2m forecast is **net** of a £2.9m forecast underspend against corporate budgets, predominately interest payments, due to the lag in capital spend coupled with some savings on levies budgets.
- 6.2.5 In the light of the shift in forecasts since Qtr1, Directors are being asked to review the plans in place in their services to reduce overspending before the year end, and any additional measures they can take to mitigate overspends. Progress will be reported in the next public report to Cabinet (Qtr3).
- 6.2.6 A detailed analysis at directorate level is attached in Appendix 1 along with relevant commentary.

MTFS Savings Delivery

- 6.2.7 Officers continue to monitor delivery of all agreed MTFS savings as part of their monthly budget monitoring processes. At **Qtr2 £5.8m (55%) (Qtr1 £8.1m/76.1%)** of the 2021/22 savings programme is forecast to deliver and Appendix 3 provides a detailed RAG rated analysis by Priority. This is a significant drop and is contributing to the deterioration in the base budget forecast and reflected in the Qtr2 base budget projections. It should be noted though that services are forecasting slippage in delivery rather than non-delivery. Services also continue to monitor deliverability of savings agreed for 2022/23 and beyond. This has been taken into account as part of the 2022/23 Budget formulation.

7 Debt and Write Offs

- 7.1 Appendix 7 provides a summary of the debts under £50,000 written off in Qtr2 totalling £15.3m. These have been approved by the Director of Finance under his delegated authority and all are adequately provided for. The vast majority of this (c. £14m) relates to parking cases covering a period of 2014/15 – 2020/21 and is in line with the value of previous years' parking write offs. This should be seen in the context of a net annual parking and highways income in a normal year of c. £31m. Prior to write off every attempt is made to collect the debt and write off is only progressed when the service are satisfied that there is no realistic chance of collection.

8 Capital Expenditure Forecast at Quarter 2

- 8.1 The starting point for the 2021/22 capital programme is the Council's budget setting meeting in March 2021. That set a general fund budget of £288.9m and a HRA budget of £277m. In July 2021 Cabinet agreed the carried forward resources from the 2020/21 capital programme which added £172m to the General Fund capital programme (there was no HRA carry forward). The addition of the carry forward budget to the approved capital programme results in a programme of £737m.
- 8.2 In quarter two, the capital programme has been further reviewed with the aim to closely align the financial performance of the programme, with actual progress. This review incorporates the known effects of the pandemic (such as labour shortages, material shortages, lengthened lead in times, inflation etc.), and a range of other factors. Findings of the review has brought to light some discrepancies between the current

2021/22 budgets and the expected physical progress. Consequently, the relevant budgets have been further realigned / reprofiled accordingly.

- 8.3 In addition, the capital programme contains a number of framework budgets. These budgets, such as the Strategic Acquisitions Fund, are there to enable the Council to respond to opportunities as they arise but still be within the budget and policy framework.
- 8.4 These budgets are inherently difficult to forecast and if not accounted for will distort the performance of the capital programme. The table below restates the programme taking the review and the reprofiling into account as well as adjusting for the framework budgets.

Table 2 - 2021/22 Capital Expenditure Analysis as at Quarter 2

Priority	2021/22 Revised Budget (£'000)	2021/22 QTR. 2 Budget Adjustments (£'000)	2021/22 Framework Budget (£'000)	2021/22 Revised Budget (after adjustments) (£'000)	2021/22 Qtr. 2 Forecast (£'000)	2021/22 Budget Variance (£'000)	Variance Movt. Btw. QTR. 1 & QTR. 2 (£'000)
People (Children's)	41,340	(316)	0	41,024	32,926	(8,098)	(4,181)
People (Adults)	14,673	0	0	14,673	11,255	(3,418)	332
Place	42,730	1,164	0	43,894	33,618	(10,276)	(5,204)
Economy	231,234	(6,112)	(166,281)	58,841	37,642	(21,199)	(11,054)
Housing (GF)	13,050	0	(13,050)	0	0	0	0
Your Council	32,233	(1,115)	(0)	31,118	26,280	(4,838)	1,058
General Fund Total	375,260	(6,379)	(179,332)	189,550	141,722	(47,828)	(19,049)
Housing (HRA)	277,033	0	0	277,033	152,151	(124,882)	(29,038)
Total	652,293	(6,379)	(179,332)	466,583	293,872	(172,710)	(48,087)

- 8.5 At this point in the year, the forecast is for a spend level of £294m, or 63% of the restated budget, which reflects a reduction in quarter one forecast by £48m. Please refer to appendix four for detailed explanations and reasons for the reduction in forecast.

9 Statutory Officers Comments

Finance

- 9.1 This is a report of the Director of Finance and therefore financial implications have been highlighted in the body of the report. In the light of the deterioration in revenue budget forecasts this quarter, it is expedient that the Directors focus on the actions referenced in paragraph 6.25.

Strategic Procurement

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

Legal

- 9.3 The Head of Legal & Governance has been consulted on this report, and makes the following comments.
- 9.4 The Council is under a duty to maintain a balanced budget. Pursuant to section 28 of the Local Government Act 2003, the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year.
- 9.5 The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend. The Council is facing an unprecedented situation due to the pandemic and there is a risk of the financial impact on the Council if the government does not provide the Council with sufficient funding in year to cover the Council's costs due to the pandemic.
- 9.6 Pursuant to the Executive 'Financial management and resources' function set out at Part Three, Section C of the Constitution, the Cabinet is responsible for approving both virements and debt write offs in excess of certain limits as set out in the Financial Regulations at Part Four, Section I, Regulations 5.31 / 5.32 & 8.15(c) respectively.
- 9.7 Pursuant to Part Four, Section J (Contract Procedure Rules – Rule 17.1) of the Constitution, the Cabinet is responsible for approving grants from external bodies above £500,000.
- 9.8 In light of the above, there is no legal reason why Cabinet cannot adopt the Recommendations contained in the report.

Equalities

- 9.9 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.
- 9.10 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.
- 9.11 This budget report covers the position at Quarter 2 (Period 6) of the 2021/22 financial year including General Fund (GF) Revenue, Capital, Housing Revenue Account

(HRA) and Dedicated Schools Grant (DSG) budgets. The report focuses on significant budget variances including those arising as a result of the forecast non-achievement of approved MTFS savings as well as the best estimates of the ongoing impact of the Covid-19 pandemic (C19) on the Council's financial plans.

- 9.12** It also includes proposed budget virements or adjustments. The recommendations in the report are not anticipated to have a negative impact on any groups with protected characteristics. In addition to this the Councils saving programme is subject to an equality assessment, which acts to mitigate against any potential impacts for those living and working in the Borough.

10 Use of Appendices

Appendix 1 – Directorate Level Forecast

Appendix 2 – HRA Forecast

Appendix 3 – MTFS Savings Delivery

Appendix 4 – Capital Programme Level Forecast

Appendix 5 – 2021/26 Revised General Fund (GF) Capital MTFS Budget

Appendix 6 – Virements (Revenue and Capital)

Appendix 7 – Debt Write Off

Appendix 8 – Covid-19 Related Grant Support

11 Local Government (Access to Information) Act 1985

- 11.1** For access to the background papers or any further information, please contact Frances Palopoli – Head of Corporate Financial Strategy & Monitoring extn 3896

Directorate Level Forecast P6

Appendix 1

PRIORITY	Revised 2021/22 Budget	P6 Outturn Forecast	P6 Forecast to Budget Variance	P3 Forecast to Budget Variance	Movement in Variance from P3 to P6
PEOPLE : CHILDREN'S	65,759,068	72,797,763	7,038,695	5,823,959	1,214,736
Childrens	53,438,394	60,203,448	6,765,054	5,682,198	1,082,857
Children's Commissioning	3,192,390	3,494,697	302,307	203,145	99,162
Children's Public Health	6,004,600	6,004,600	0	0	0
Schools & Learning	3,123,684	3,095,017	-28,667	-61,384	32,717
PEOPLE : ADULTS	87,700,257	94,348,073	6,647,816	2,863,563	3,784,253
Adults Social Care	71,723,232	77,922,368	6,199,136	2,480,365	3,718,771
Adults Commissioning	4,490,350	4,915,409	425,059	335,140	89,919
Adults Public Health	11,486,675	11,510,295	23,620	48,058	-24,438
PLACE	29,779,836	35,364,610	5,584,774	6,494,023	-909,250
Environment & Neighbourhood	22,514,469	27,924,518	5,410,049	6,396,344	-986,295
Culture and Libraries	5,510,367	5,681,092	170,725	93,679	77,046
Chief Finance Officer (Alexandra Palace)	1,755,000	1,759,000	4,000	4,000	0
ECONOMY	5,294,140	8,347,595	3,053,455	1,735,036	1,318,419
Housing Regeneration & Planning	254,950	254,950	0	0	0
Housing	110,647	110,647	0	0	0
Planning Building Standards	2,337,781	2,670,175	332,394	242,703	89,691
Property & Capital Projects	-2,074,641	646,420	2,721,061	1,492,333	1,228,728
Regeneration & Economic	4,665,403	4,665,403	0	0	0
HOUSING	17,317,201	18,532,665	1,215,464	1,218,768	-3,304
Housing Demand	8,111,713	5,111,712	-3,000,001	0	-3,000,001
Housing Commissioned Services	-204,880	4,010,585	4,215,465	1,554,006	2,661,459
Commissioning	8,950,374	8,950,374	0	-335,238	335,238
Environment & Neighbourhood	459,994	459,994	0	0	0
YOUR COUNCIL	43,225,760	42,725,549	-500,211	1,024,378	-1,524,589
Chief Finance Officer	34,545,454	31,845,240	-2,700,214	-197,271	-2,502,943
Corporate Governance	1,788,274	1,798,274	10,000	30,000	-20,000
Corporate & Customer Services	6,212,961	7,951,352	1,738,391	1,174,320	564,071
Chief Executive	297,450	297,450	0	0	0
Strategy & Communication	363,173	531,337	168,164	-108,710	276,874
Human Resources	461,666	893,577	431,911	88,213	343,698
IT Digital Services	753	-278,944	-279,697	28,862	-308,559
Transformation & Resources	416,110	560,184	144,074	0	144,074
Strategic Procurement	-860,081	-872,921	-12,840	8,964	-21,804
PRIORITY TOTAL	249,076,262	272,116,254	23,039,992	19,159,727	3,880,265

Further detail on the drivers of the Priority variances follow:-

PEOPLE: CHILDREN'S

Over budget £7.04m (Q1 £5.82m)

At Q2, Children and Young People Services reporting a pressure of £7m, an increase of £1.2m from the Q1 position. This change is mainly a result of an increase in the number of Social Care placements in the period.

A large proportion (£3.05m) of the budget pressure relates to a COVID-19 pressures in the services. This pressure has been driven by a significant increase in social care activity with additional numbers and unit cost increases for placement costs and SEND transport. In addition, there is anticipated loss of income across a few services such as Pendarren and Children's Centres.

Safeguarding and Social Care is reporting a pressure of £5.6m. This pressure is largely increasing pressure complexity and cost of placements and an increase in staffing and legal pressures linked to increased child protection cases in the service.

Early Help and Prevention service is reporting a pressure of £1.3m which is a combination of SEN transport pressures and shortfalls in Nursery and Children centres' income.

PEOPLE : ADULTS & PUBLIC HEALTH

Over budget £6.648m (Q1 £2.864m)

Adults and Public Health is forecast to spend £94.348m against a budget of £87.700m which is an adverse variance of £6.648m at Q2. This represents an increase of £3.784m from the £2.864m variance at Q1

Adult Social Care, the Q2 adverse variance is £6.199m which includes £2.704m of COVID-19 related expenditure and £1.015m slipped savings carried forward from 20/21. There has been a movement of £3.718m since Q1 (£2.480m) in projected expenditure which is mainly attributable to £1.220m cost increase due to continued increase in activity and complexity of care package costs due to legacy COVID-19 pressures and £1.600m slippage in demand mitigation projects due to COVID-19 disruptions.

Adults Commissioning overall variance at Q2 is £0.425m with £0.090m movement in comparison to Q1 (£0.335m). This is comprised of £0.215m COVID-19 related staffing pressure and £0.197m additional brokerage expenditure incurred to deliver client contribution income.

Adults Public Health is projected to break even with additional COVID-19 related expenditure being met by specific government grants.

It should be noted that there is an additional risk of a further increase in demand due to COVID-19 for packages of care that we are unable to quantify at this point in time: pressures arising through additional clients, care complexity, increased hours and carer breakdown. Dealing with COVID-19 continues to create unforeseen pressures on the service which ASC and health partners are dealing with. The impact and pressure are likely to change over the coming months as we begin to understand long-term and legacy implications of COVID-19. This poses additional risks to the budget position for 2021/22 and beyond.

PLACE

Over budget £5.585m (Q1 £6.494m)

Place Priority is forecasting an over spend of £5.585m for Qtr2; an improved position on Q1 of £0.909m. This is due to a worsened position in base budget pressure issues of £0.106m, and an improvement of pressures from COVID of £1.015m.

Parking & Highways is showing an improvement position of £1.128m at Q2. This is mainly due an improved position/performance on on-street Penalty Charge Notices, Suspensions, Nuisance vehicles and Residential permits; partly off-set by adverse position on visitors

voucher permits due to change in customers behaviour following introduction of virtual vouchers on PMIS.

Parks & Leisure is showing an improved position of £0.197m at Q2. This is mainly due to reduction in COVID Pressures from increase in events income generated for smaller community events.

Community Safety & Enforcement is showing a worsened position of £0.131m at Q2. This due of on-going impact from COVID to ASB Fixed Penalty Notice income.

Operational Facilities Management is showing a worsened position of £0.203m at Q2. This is due to full year additional COVID cleaning and security costs being accounted for in this budget area rather than in other service budgets.

Libraries & Culture is showing a showing a worsened position of £0.077m at Q2. This is due to additional staffing, recruitment and IT costs.

ECONOMY

Over budget £3.054m (Q1 £1.735m)

Economy Priority are reporting an adverse variance of £3.054m against the budget at Qtr2 an increase of £1.318m from Qtr1.

The main pressure remains Covid-19, which continues to significantly impact key income streams in Commercial Property (£0.900m) and Planning income (£0.243m).

The other key area of overspend remains in Hard FM Services as a result of costs rising in Health and safety works (£0.427m).

The additional projected adverse variance since Qtr1 (£1.318m) is largely due to Commercial Property rental income pressure (£0.416m) and reduced capitalisation of costs in the Strategic Property unit (£0.566m). It should be noted that this area is being closely monitored and any mitigations will be reported in the next Quarter.

In addition, there is also a projected pressure (£0.269m) on recovery of backdated rent payable on headlease renewals; negotiations are currently ongoing with the aim to reduce the impact of these pressures before year end.

HOUSING (General Fund)

Over budget £1.215m (Q1 £1.219m)

Housing General fund reports a projected adverse variance of £1.215m. This is about £3m higher than the adverse variance reported in quarter 1.

There has been a significant reduction in rent collection rates for Temporary Accommodations (TA). This is cause of considerable concern and is being investigated to properly understand the implications for the final YE position. There is also an additional shortfall (£110k) in income from the TA Lodges as they were not operating at full capacity due to social distancing requirements.

The Increase in Housing benefit offset from the TA budget of £158k and transfer of HBCS leased properties and their associated projected income of £194k from the GF to HRA also contributed to the movement in variance.

HOUSING (Housing Revenue Account - HRA)**Over budget £0.936m (Q1 £0.614m)****Table 3 – HRA Budget Forecast (Quarter 2)**

	2021/22 Revised Budget	HRA Projected Variance - directly related to Covid19	Q2 2021/22 Forecast Variance	Q1 2021/22 Forecast Variance	Forecast Variance Movement Q2 v Q1
HRA BUDGET 2021/22	£000's	£000's	£000's	£000's	£000's
UE0721 Managed Services Income TOTAL	(106,809)	0	513	266	247
UE0722 Managed Services Expenditure TOTAL	13,204	0	424	348	76
UE0731 Retained Services Expenditure TOTAL	84,821	0			
Surplus HRA Services (within Retained)	8,784	0			
Balance of HRA Account (assumed Government Funding)	0	0	937	614	323

The Housing Revenue Account reports a projected adverse variance of £937k. This is about £322k higher than the adverse variance reported in quarter 1.

This movement in variance is largely driven by higher than anticipated additional charges (£111k) from Veolia waste contract. This is due to increase in fly tipping and one-off cleanings. These costs are over and above the agreed SLA (Service Level Agreement). There is also an increase in the number and costs of HRA hostels responsive repairs and maintenance (about £200k)- contributing to the movement in the adverse variance.

Your Council - Service**Over budget £2.45m (Q1 £1.544m)**

The Your Council Services projected overspend has increased by £0.906m from Q1 to £2.45m. This variance is made of Covid pressures of £1.257m mainly from lost court cost income (£0.924m) and the costs of administering the business grants (£0.217m) scheme, and base pressures of £1.193m. The Council expects Government Covid grants to mitigate a significant portion of the Covid-related pressures.

The key base budget variances and causes are detailed below:

- Human Resources (£0.4m overspend) - an overspend on the recruitment insourcing project and higher than expected recruitment activity with Hays between April and July 2021
- Finance (£0.3m overspend) – a continued requirement for agency staff to fill key posts in the establishment
- Corporate and Customer Services (0.5m overspend) – the need to delay the planned release of staff within (a) Customer Services as a result of delays in implementation of the new parking system and b) Revenues and Benefits due to current workload pressures
- Digital Services (£0.3m underspend) – planned contract savings

The adverse movement from the first quarter is due to the HR pressure described above that was not included at Quarter 1, the reforecast of lost CT and NNDR court cost income and updated staffing cost projections.

Your Council - Corporate**Under budget £-2.9m (Q1-£0.5m)**

The forecast underspend is mainly due to the reduction in the forecast for Capital financing-borrowing costs.

Dedicated Schools Grant (DSG)**Over budget £6.38m (Q1 £6.58m)**

The DSG overall deficit position compared with Q1 has improved by £200k from £6.58m to £6.38m. The movement between Q1 and Q2 is as a result of an additional £0.6m High Need Block grant received and additional top up payments of £0.4m.

Table 4 – DSG Position Quarter 2

	Budget £'000	Forecast £'000	Variance £'000
Central Block	2,912	2,912	0
Early Years Block	21,036	21,036	0
High Needs Block	42,865	49,245	6,380
Schools Block	136,263	136,263	0
Grand Total	203,076	209,456	6,380

The main driver for the pressure in the High Needs block remains the increasing number of Education, Health and Care Plans (EHCP) in recent years. In addition, approximately 25% of our children who are looked after have an EHCP. Where we have children who are looked after with an EHCP and who require an out of borough placements e.g. specialist residential, the social cost is higher than in borough.

The DSG reserve is ringfenced and outside the council's general fund reserves. The cumulative DSG deficit is detailed in the table below.

DSG cumulative deficit at Quarter 2

Blocks	Opening DSG at 01/04/21 £m	Schools Forum agreed transfer between blocks £m	Qtr2 Forecast Outturn Variance £m	Drawdown Request £m	Qtr2 Forecast Closing Balance £m
Schools Block	0.00	0.00	0.00	0.00	0.00
Central Block	(0.08)	0.00	0.00	0.00	(0.08)
High Needs Block	16.87	0.00	6.38	0.00	23.25
Early Years Block	0.11	0.00		0.00	0.11
Total	16.9	0	6.38	0	23.28

The Council is producing a DSG Management Plan which will be coproduced with various stakeholders and shared with the DFE and which will detail the various actions the Council is taking to manage the level of DSG overspend. The plan will be a live document which will continue to be shared periodically with the DFE. Whilst Council actions may mitigate the level of overspend increasing, it is not anticipated that the Council will be able to ameliorate this.

HRA BUDGET 2021/22	2021/22 Revised Budget	Q2 2021/22 Forecast	Q2 2021/22 Forecast Variance	Q1 2021/22 Forecast Variance	Forecast Variance Movement Q2 v Q1	notes
	£000's	£000's	£000's	£000's	£000's	
H39404 Service Charge Income - Hostels	319,700-	236,821-	82,879	31,620	51,259	The Forecast for all HRA Managed Services Income is to £513k overspend. Mainly Due to Hostels rents income being less than the assumed & anticipated budget (this is being investigated) . There is also less income due to decants. There is also less concier
H39002 Rent - Hostels	1,943,300-	1,405,869-	537,431	234,730	302,701	
H39001 Rent - Dwellings	82,030,000-	81,956,701-	73,299	0	73,299	
H39101 Rent - Garages	861,000-	799,132-	61,868	0	61,868	
H39102 Rent - Commercial	756,300-	756,300-		0	0	
H39103 CBS - Lease Rental Income	1,984,000-	1,984,000-		0	0	
H39201 Income - Heating	617,000-	637,397-	20,397-	0	-20,397	
H39202 Income - Light and Power	1,016,000-	1,048,812-	32,812-	0	-32,812	
H39301 Service Charge Income - Leasehold	7,562,000-	7,562,000-		0	0	
H39401 ServChgInc SuppHousg	1,495,000-	1,566,396-	71,396-	0	-71,396	
H39402 Service Charge Income - Concierge	1,741,000-	1,653,516-	87,484	0	87,484	
H39405 Grounds Maintenance	2,201,000-	2,283,486-	82,486-	0	-82,486	
H39406 Caretaking	1,943,000-	1,993,986-	50,986-	0	-50,986	
H39407 Street Sweeping	2,338,000-	2,409,913-	71,913-	0	-71,913	
H40102 Water Rates Receivable	1,200-	1,200-		0	0	
UE0721 Managed Services Income	106,808,500-	106,295,530-	512,970	266,350	246,620	
S14400 Supported Housing Central	290,600	205,448	85,152-	0	-85,152	The Forecast for all HRA Managed Services Expenditure is £424k overspend is due to the TA Hostels security costs are the primary reason for the £175k overspend, also the Hostels Repairs & Maintenance costs are the main reason for the £223k overspend . Th
H31300 Housing Management WG	23,500	23,500		0	0	
H32300 Housing Management NT	28,300	28,300		0	0	
H33300 Housing Management Hornsey				0	0	
H33400 TA Hostels	252,300	427,071	174,771	165,880	8,891	
H34300 Housing Management ST	9,500	9,500		0	0	
H35300 Housing Management BWF	11,600	11,600		0	0	
H36300 Rent Accounts				0	0	
H37210 Under Occupation	170,600	170,600		0	0	
H40001 Repairs - Central Recharges	2,300	2,300		0	0	
H40004 Responsive Repairs - Hostels	387,300	610,921	223,621	182,180	41,441	
H40101 Water Rates Payable	31,000	31,000		0	0	
H40104 HousMgmtRechg Cent	110,000	110,000		0	0	
H40111 Other RentCollection	138,400	138,400		0	0	
H40202 Management Special - Nth Tott				0	0	
H40206 HousMgmtRechg Energ	1,128,100	1,128,100		0	0	
H40208 Special Services Cleaning	3,189,300	3,300,000	110,700	0	110,700	
H40209 Special Services Ground Maint	2,075,300	2,075,300		0	0	
H40212 HRA Pest Control	296,800	296,800		0	0	
H40213 Estate Controlled Parking	145,300	145,300		0	0	
H40303 Supporting People Payments	1,861,000	1,861,000		0	0	
H40309 Commercial Property - Expenditure				0	0	
H40401 Bad Debt Provision - Dwellings	2,535,000	2,535,000		0	0	
H40404 Bad Debt Provision - Leaseholders	91,000	91,000		0	0	
H40406 Bad Debt Provisions - Hostels	68,000	68,000		0	0	
H40801 HRA- Council Tax	358,800	358,800		0	0	
UE0722 Managed Services Expenditure	13,204,000	13,627,940	423,940	348,060	75,880	
H25600 Housing Delivery Team		0	0	0	0	At the half year stage (p.6) of the 2021/22 financial year the Budget eoy Forecasts for all HRA RETAINED Services Expenditure is to Budget.
H38002 Anti Social Behaviour Service	610,800	610,800		0	0	
H39601 Interest Receivable	303,600-	303,600-		0	0	
H40112 Corporate democratic Core	600,900	600,900		0	0	
H40301 Leasehold Payments	142,200-	142,200-		0	0	
H40305 Landlords Insurance - Tenanted	326,000	326,000		0	0	
H40306 Landlords - NNDR	138,000	138,000		0	0	
H40308 Landlords Insurance - Leasehold	1,939,100	1,939,100		0	0	
H40501 Capital Financing Costs	16,242,000	16,242,000		0	0	
H40601 Depreciation - Dwellings	20,197,000	20,197,000		0	0	
H40805 ALMO HRA Management Fee	39,271,300	39,271,300		0	0	
H40900 Community Benefit Society (CBS)				0	0	
H49000 Housing Revenue Account	8,784,000	8,784,000		0	0	
H60002 GF to HRA Recharges	3,264,700	3,264,700		0	0	
H60003 Estate Renewal	1,370,000	1,370,000		0	0	
H60004 HIERS/ Regeneration Team	1,306,500	1,306,500		0	0	
UE0731 Retained Services Expenditure	93,604,500	93,604,500	0	0	0	
Balance of HRA Account		936,910	936,910	614,410	322,500	

APPENDIX 3

Appendix 3 provides progress on savings 2021-22 delivery on a more detailed level.

MTFS Savings Ref	Saving proposal	2021/22 £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
People - Children						
PC2	Reduce operational costs	(250)		(250)	0	Green
20/25-PE03	Invest to Save - Edge of Care	(241)		(151)	(90)	Green
20/25-PE04	Invest to Save proposal - In-House Fostering	11		11	0	Green
20/25-PE05	Invest to Save - SEND Transport	(216)		(216)	0	Green
20/25-PE06	Invest to Save - Pause Project	(1)		5	(6)	Green
20/25-PE08	Invest to Save - Foster Carer Room Extension	0		(55)	55	Green
20/25-PE09	0-19 year old public health commissioned services - a new integrated commissioned service delivery model	125		125	0	Green
20/25-PE12	Reduce operational costs in Schools and Learning and Commissioning	25		25	0	Green
CH102	Maya Angelou Assessment and Contact Centre Traded Service	82		10	72	Amber
CH103	Delivering residential mother and baby assessments	239			239	Amber
Total: People (Childrens)		(226)	0	(496)	270	

MTFS Savings Ref	Saving proposal	Description	2021/22 Target £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/shortfall £'000s	RAG Status (Delivery of 2021/22 Saving)
People - Adults							
B2.7	Haringey Learning Disability Partnership	The Haringey Learning Disability Partnership, working jointly with Children's Services and with key partners such as the Clinical Commissioning Group and the London Borough of Islington, will implement a coherent strategy that aims to bring Haringey's demand and spending on adults with learning disabilities in line with our statistical neighbours and limit growth in spending in line with population growth.	1,430	509	1,030	400	Amber
B2.8	Mental Health	Working with our delivery partner, Barnet, Enfield & Haringey Mental Health Trust, the Clinical Commissioning Group and our communities to strengthen the prevention and 'enablement' pathways for mental health and to ensure the support we provide minimises the long-run dependency of adults with mental health issues. For those whose needs require a social care intervention, we will develop the market and look at new commissioning arrangements to improve value for money as well as promoting choice and control for the service user.	490	146	490	0	Amber
B2.9	Physical Support	Working with the CCG, acute providers and primary care to extend independence, choice and control to those with physical support needs and further strengthen the pathways that prevent, reduce and delay the need for social care.	1,070	782	1,070	0	Green
PA6	Transfer of High Cost Day Opps	Lease three ex-day centre premises to a local provider to support 15-20 service users at reduced cost, and closer to their existing support networks.	15	0	15	0	Amber
PA9	Further savings to be delivered by Adults Services	Further action by service to reduce cost of adult social care over the next 5 years (<i>re-profiled existing savings</i>)	180	0	180	0	Amber
20/25 PE01	Public Health Lifestyles	Look for alternative delivery options for lifestyles services (this includes; NHS Health Checks, smoking cessation, weight management and exercise programmes for the inactive), from April 2021 onwards. This proposal suggests alternative ways of delivering these services including: Reducing the capacity of services offered (but keeping services targeted at those who need them most), seeking partial funding from NHS partners, using an alternative delivery partner, joining up with other boroughs to commission the service for economies of scale.	60		60	0	Amber
AS101	Fast Track Financial Assessments	Further to reviewing comparative statistics for income collection with our nearest neighbours, some areas of income collection were reviewed with the view to maximise council income collection.	1,050	257	1,050	0	Amber
AS102	Client Contributions		487	0	487	0	Red
	Adults Delayed Savings - C19		(1,621)		(1,621)	0	
Total: People (Adults)			3,161	1,694	2,761	400	0

MTFS Savings Ref	Saving proposal		2021/22 £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/ shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
Place							
PL9	Leisure centre concessions		50			50	Red
PL13	Parking Transformation Programme to deliver significant improvements to this service over the coming three years. Includes a CPZ rollout programme taking the borough to 100% coverage, and extending parking permit charging models to tackle emissions from Diesel vehicles		500	0	125	375	Amber
20/25-PL03	CCTV enforcement of weight limits and emissions through ANPR/DVLA check. Use of new technology cameras to record vehicle reg plates and immediately look up DVLA database to establish vehicle weight and emissions. Will require significant investment in infrastructure and back office arrangements.		280	0	140	140	Amber
20/25-PL04	Increase permit charges for highest emitting 'petrol' vehicles. A flat fee increase in Permit charge for the most polluting petrol emission band(s).		25	0	25	0	Green
20/25-PL06	Contact Centre Efficiencies		50	0		50	Red
20/25-PL07	Mechanisation of High Street Cleansing		150	0		150	Red
20/25-PL09	Hybrid Mail proposal		77	0	77	0	Amber
20/25-PL11	New Lease Income v2		20	20	20	0	Green
20/25-PL14	Parking Transformation Programme. Various workstreams - contactless £376, diesel n 2nd subsequent vehicle £300k and escalated essential permits, suspensions, carparks £164k MHCLG escalated 2021-22		840	0	364	476	Red

PL20/9	Full Cost recovery of services		130	0	20	110	Red
PL20/18	Crematorium Lease and Parks Property		20	20	20	0	Green
PL20/20	PL12 (Stage 2) Fuel Savings from Electric Vehicles		0	0		0	
PL20/21	Review of Events team		45	45	45	0	Green
PL20/22	Visitors Vouchers Pricing Structure change		198	0	99	99	Red
PL20/31	Concessionary Fares		1,200	0	1,200	0	Green
PL20/32	Diesel surcharge - Pay for Parking		(10)	0	(10)	0	
PL20/33	Residents Permits Pricing Structure		0	0	0	0	
PL20/34	Change 2 hour restrictions to full day		0	0	0	0	
PL20/35	Night Time Enforcement		(5)	0	(5)	0	
PL20/39	Management and Support structure review		160	160	160	0	Green
PL20/3	Management of ASB Enforcement & Remodel of ASB & Waste Enforcement and Waste Services		78	78	78	0	Green
PL20/25	Pay for Parking - Introduce a minimum 30 minute purchasable sessions, (currently 15 minutes)		250		125	125	Amber
PL20/27	Back office services efficiencies.		100	0	0	100	Red
PL20/28	Introduce Sunday charges - Car Park Pricing Structure		27	0	14	14	Amber
PL20/29	Introduce Sunday charges - Pay for Parking Pricing Structure		63	0	32	32	Amber
PL20/30	Targeted recovery of PCNs issued to persistent evaders. Dedicated resources introduced as part of new operational model and DMIS.		80	0	80	0	Green
20/25-YC09	Maximising income from filming and venue management. This proposal is in two parts. The first is to make Haringey more attractive to film companies by identifying vacant buildings for meanwhile use as production bases, and by making parking easier in order to generate income. The second is to consider employing staff, as an invest to save bid, to market the council's venues for events (currently uncoded).		6	0	6	0	Green
YC104	Highway Searches		24		6	18	Amber
Total: PARKING			4,358	323	2,620	1,738	

MTFS Savings Ref	Saving proposal	Description	2021/22 £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/ shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
Economy							
20/25-EC08	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)			(100)	
PL8	Soft FM Efficiency	Re-commissioning of soft FM services and services delivered through Amey contract (e.g. efficiencies in postage & franking, front of house, security).	(25)			(25)	
20/25-PL08	FM Transformation	Terminating the Amey contract for FM Services and bringing Soft FM back in-house, and transferring Hard FM to Homes for Haringey. Approximately 100 staff will be in scope for a TUPE transfer. The proposed saving will be achieved through improved efficiency and returning Amey overhead and profit to the council. The transformation will include purchase of a new Property IT system, and service improvements particularly relating to building repairs and maintenance.	(150)			(150)	
EC101	Additional Recharge to Housing Services		300			300	Green
EC102	Additional Planning income from introducing new charges		200			200	Amber
EC103	Reduction in Energy Consumption on corporate buildings		50			50	Amber
Total: Economy			275	0	0	275	
MTFS Savings Ref	Saving proposal	Description	2021/22 £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/ shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
Housing							
HO1	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.	573			573	Green
20/25-HO01	Transferring PSLs to HFH	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 FHSO). 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 additional rental income of £1.19m if all leases were transferred. This would require, in each case, the landlords agreement to do so and additional incentives may be required. A reduction in savings of 25% has thus been included to account for this and additional costs	272			272	Amber
HO101	Housing Team Salaries - increase HRA contribution		274			274	Green
HO102	HFH taking over the lease of PSL properties on their expiry		209			209	Amber
Total: Housing			1,328	0	0	1,328	0

MTFS Savings Ref	Saving proposal	Description	2021/22 £'000s	2021/22 Saving achieved YTD £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
Your Council (incl Council-Wide)							
A6.2	Audit and Risk Management	Reduction in the value of the externally procured internal audit contract; potentially changing the assurance model, or reducing the number of audits completed.	20		0	20	Amber
YC1	Out of home advertising income generation	The proposal is to recommission the street furnishing advertising contract. Moving to digital display to ensure communication messages can be updated quickly, and to remove printing costs.	5		5	0	Green
20/25-YC02	Income from joining the London Counter Fraud Hub	The London Counter Fraud Hub, managed by CIPFA, is a counter fraud service developed to supply data analytics, investigations and recoveries service for London local authorities and the City of London Corporation. Unlike traditional data matching hubs, this project is an end-to-end service providing expert advice and operational support around sophisticated analytics. The overarching objective for the service is to increase fraud and corruption detection, and improve fraud prevention, share common risks across London, minimise losses and maximise recovery, so that fraud and corruption does not pay. Three data sources (Council Tax - Single Person Discount, Housing Tenancy and Non Domestic Rate records are entered into the analytics part of the Hub through a secure transfer. Using sophisticated technology, the Hub will analyse the data to identify frauds against the 32 London local authorities and the City of London Corporation.	25		25	0	Green
20/25-YC10	Additional sites for on street digital advertising	The proposal is to generate an income from the advertising opportunities in the borough. While we have recently awarded contract for our digital on street advertising, we are now looking at other forms of advertising, which are sympathetic to the surroundings and maximise the councils commercial returns. This is in the form of street advertising, out of home advertising, and libraries/customer services advertising.	52		26	26	Amber
YC106	Reduction in Legal Services Support		163		163	0	Green
YC105	Digital Services - Establishment Savings		250		250	0	Green
YC101	Finance Savings		202		202	0	Green
YC109	HR Savings		105		105	0	Green
Total: Your Council			822	0	776	46	0
	Digital Together	Cross-Cutting Saving Proposal	750	90	90	660	Amber/ Red

Appendix 4

2021/22 Capital Monitoring @ Quarter Two (Sept 2021) Projection Sheet			21/22 Full year Revised Budget	2021/22 Full year Forecast Outturn	Budget Variance (Underspend) / Overspend	Movement between QTR. 2 & QTR. 1 Variance
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION OF CAPITAL SCHEME	£,000	£,000	£,000	£,000
101	Primary Sch - repairs & maintenance	A range of repairs to various schools covering boiler replacement, rewiring and other items.	6,845	5,500	(1,345)	(253)
102	Primary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	24,126	22,564	(1,562)	(1,511)
103	Primary Sch - new places	To fund expansion of schools if required	362	49	(313)	(2)
104	Early years	To provide funding to increase/secure early years places	205	10	(195)	10
109	Youth Services	This budget is provision for the borough's Youth Services projects.	229	229	0	172
110	Devolved Sch Capital	This is passed 100% to schools	531	531	0	0

114	Secondary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	5,029	2,002	(3,027)	(1,108)
117	Children Safeguarding & Social Care	This scheme is designed to increase the capacity to retain LAC in-borough	495	105	(390)	120
118	Special Educational Needs Fund (New Provision Fund)	This scheme is to fund the SEND programme and the budget has been transferred scheme 102.	1,024	0	(1,024)	0
121	Pendarren House	Works to the facility to bring it to a high standard of repair	858	699	(159)	(158)
122	Alternative Provision Strategy	To fund capital works that increase the number of AP places in the borough	0	0	0	(1,300)
123	Wood Green Youth Hub	This budget is provision for the new W.G Youth Hub	1,223	1,223	(0)	(40)
199	P1 Other (inc Con't & Social care)	This is a small programme contingency budget.	98	14	(84)	(111)
People - Children's			41,024	32,926	(8,098)	(4,181)

The quarter 2 forecast outturn is showing an under budget position of £8.1m which can be largely attributed to both the Primary & Secondary School repairs & enhancement budget at £6.2m variance. These budgets have not been reprofiled yet, as spend in these areas are unpredictable and it would not be prudent to reduce the budgets until the third quarter return. The underspend position is further exacerbated due to £1.024m SEND funding received during the second quarter of this financial year. This new funding is yet to be allocated.

The quarter 2 forecast outturn is showing a further reduction in forecast by £4.2m from quarter 1's position. This is largely due to anticipated slippage in the major capital works on both Primary and Secondary School repairs & maintenance budget at £2.9m variance. The Alternative Provision Strategy forecast has also reduced by circa £1.3m, due to procurement delays. These budgets have not been reprofiled as spend in this area is unpredictable and it would not be prudent to reduce the budget.

201	Aids, Adap's & Assistive Tech - Home Owners (DFG)	Grant funded programme of aids and adaptations to enable people to remain in their home	3,581	3,581	(0)	(0)
207	New Day Opp's Offer	This budget is funding for The Haven/Roundways project	66	178	113	137
208	Supported Living Schemes	Funding to convert property to supported living schemes reducing high cost placements with no loss of quality of service	456	0	(456)	0
209	Assistive Technology	The funding for AT will provide a greater range of Assistive Technology interventions that will enable individuals to live independently and safely for longer in their own homes, as well as greater opportunity for improved outcomes through better information and	1,759	822	(937)	(158)

		proactive intervention.				
211	Community Alarm Service	This is the funding for the capital element of the service	177	177	0	0
212	Linden House Adaptation	This project is complete with a minor retention	35	55	20	2
213	Canning Crescent Assisted Living	This project is to provide a number of assisted living places	3,581	3,582	0	0
214	Osborne Grove Nursing Home	The scheme is in development to provide a 70 bed nursing home.	1,783	1,579	(204)	(198)
217	Burgoyne Road (Refuge Adaptations)	This project is to provide a new women's refuge	736	231	(505)	(2)
218	Social Emotional & Mental Health Provision	This budget is to provide funding to provide additional in borough provision	900	0	(900)	0
221	Social Care System Implementation	This budget is to provide funding for the implementation of a new social care system	1,600	1,051	(549)	551
People - Adults			14,673	11,255	(3,418)	332

Adults quarter 2 position is reporting an insignificant variance from quarter 1 and there are no changes from the quarter 1 budget position.

301	Street Lighting	This is the annual investment in capital maintenance	1,513	1,263	(250)	(250)
302	Borough Roads	This is the annual investment in capital maintenance	4,716	4,129	(587)	(587)
303	Structures (Highways)	This is the annual investment in capital maintenance	526	99	(427)	(427)
304	Flood Water Management	This is the annual investment in capital maintenance	909	809	(100)	75
305	Borough Parking Plan	This funding underpins the borough parking plan	714	346	(368)	(199)
307	CCTV	This funding underpins the borough CCTV plan	1,784	2,387	603	603
309	Local Implementation Plan(LIP)	This funding is provided by TfL for infrastructure works called the Local Implementation Plan (LIP)	1,169	1,189	20	905
310	Developer S106 / S278	This funding is provided by developers to offset the deleterious effect of their development so that it is acceptable in planning terms	869	543	(326)	(108)

311	Parks Asset Management:	This is the annual investment in capital maintenance	458	459	0	26
313	Active Life in Parks:	This is the annual investment in capital maintenance	1,014	1,015	0	100
314	Parkland Walk Bridges	Investment in the refurbishment of a number of bridges	1,133	1,133	0	(0)
317	Down Lane MUGA	This budget is to cover investment in Down Lane Park	57	57	0	(0)
321	MOPAC - Crime & Disorder Reduction	This is a grant funded scheme	49	49	0	49
322	Finsbury Park	This budget is to cover investment in Finsbury Park funded through the events income	135	135	0	35
323	Parking Strategy	This funding underpins the borough parking strategy	1,160	859	(302)	(302)
325	Parks Vehicles	This budget is to be used for the procurement of energy efficient park vehicles. It is self-funding and is aimed to reduce carbon emissions.	0	0	0	0

328	Street & Greenspace Greening Programme	This is an annual programme of investment in street & greenspace tree planting programme. The programme is used to match fund other external funds and sponsorship opportunities to deliver circa 200-250 trees per year. The current programme is much greater than this due to a large grant from the Urban Tree Challenge Fund and NCIL funding in four wards.	283	283	0	0
329	Park Building Carbon Reduction and Improvement Programme	A four year programme to improve the quality of the parks operational estate (13 buildings) including reducing the energy consumption and water usage by installing new technologies to reduce the carbon emissions to Zero in line with the Climate Action Plan targets for 2027.	1,050	100	(950)	(950)

331	Updating the boroughs street lighting with energy efficient Led light bulbs	This budget supports the upgrade of the borough's lighting to LED bulbs	4,151	3,430	(721)	(721)
332	Disabled Bay/Blue Badge	The scheme is to fund new disabled bays and to upgrade existing ones.	552	110	(442)	(190)
333	Waste Management	To upgrade waste infrastructure in the public realm	270	270	0	0
334	Parks Depot Reconfiguration	A one off programme to facilitate the rationalisation of the parks operational depots across the borough.	400	250	(150)	(150)
335	Streetspace Plan	This scheme is to improve the street environment within Haringey.	5,100	1,729	(3,371)	(3,371)
336	New River Acquisition	This scheme is to improve the street environment within Haringey.	305	305	0	305
419	NPD Phase 2 LBH Match Funding	This scheme is now concluded.	5	5	(0)	5
119	School Streets	The funding is to support the roll out of the schools streets initiative	1,105	1,030	(75)	(75)
444	Marsh Lane	The scheme is to provide a new depot on Marsh Lane, to be completed by November 2021	8,754	8,456	(298)	(4)

447	Alexandra Palace - Maintenance	The funding is made up of a regular £470k capital maintenance budget for the upkeep of the palace. In addition there are two projects underway	1,821	1,822	0	494
472	JLAC Match Fund	The scheme is to refurbish elements of Jackson Lane Arts Centre	880	396	(484)	(484)
606	Hornsey Library Refurbishment	This scheme is now concluded.	16	55	39	39
621	Libraries IT and Buildings upgrade	This is a programme of upgrades to the libraries in the borough	1,996	885	(1,111)	(44)
623	Wood Green Library	The funding is to undertake upgrades to Wood Green library	1,000	22	(978)	22
652	Libraries - Re-imaging our Libraries offer for a better future	This is a self funding budget to drive greater use in the libraries	0	0	0	0
Place - Safe & Sustainable Places			43,894	33,618	(10,276)	(5,204)

The Place capital programme has had reprofiled resources of £0.92m within Parks Vehicles due to procurement delays. The quarter 2 forecast is showing an under budget position of £10.3m. The four largest variances relate to, Streetspace Plan, £3.4m, the branch libraries programme, £1.1m, Parks building carbon reduction improvement programme, £1m and the Wood Green Library scheme, £1m. There have been delays to the branch libraries programme as upon investigation additional condition works have been identified that would be best corrected as part of the upgrade programme. The Wood Green Library repairs are being specified and may take place later this year and so the forecast may improve.

The quarter 2 forecast is showing a reduction in forecast of £5.2m from quarter 1. This is largely due to reduction in spend on the Streetspace Plan budget, which is anticipated to be allocated over a 3 year period. There are further anticipated reduction in spend on School Streets and Park Building Carbon Reduction/Improvement programme, due to delays in project surveys and planning works. There are other minor budget variances.

401	Tottenham Hale Green Space	This budget is to deliver improvements to Down Lane Park and the Paddock green spaces	1,352	1,151	(200)	(187)
402	Tottenham Hale Streets	This budget is to deliver public realm improvements in Tottenham Hale	1,759	1,759	(0)	0
404	Good Economy Recovery plan	This scheme is to provide interventions in high streets, to promote economic activities.	1,637	838	(799)	(217)
406	Opportunity Investment Fund	The budget is provided by the GLA and is used to provide loans to businesses	542	542	0	0
411	Tottenham Heritage Action Zone (HAZ)	This budget funded by Historic England is to deliver shop front improvements, heritage restoration and public realm improvements within Bruce Grove Conservation Area	1,579	1,267	(312)	(312)

415	North Tott Heritage Initiative	This budget funded by National Heritage Lottery Fund is to deliver shop front improvements in Northumberland Park Conservation Area	360	285	(75)	(37)
418	Heritage building improvements	This scheme is largely grant-funded, to undertake works to private properties, to safeguard heritage buildings.	1,589	1,589	(0)	(0)
421	HRW Acquisition	The budget is for the acquisition of properties as part of the HRW redevelopment. The costs will be met by the developer.	6,644	6,644	(0)	(1,653)
429	Site Acq (Tott & Wood Green)	The budget is to provide the capacity to respond to opportunities to acquire properties. The spending of the budget is subject to a business case.	3,465	3,465	0	(11,315)
430	Wards Corner CPO	The budget is to provide resources to undertake the CPO process on Wards Corner.	0	0	0	(3,500)
438	Vacant possession Civic Centre (Woodside	This is a retention budget for this completed scheme.	22	(1)	(23)	(23)

	House Refurbishment)					
452	Low Carbon Zones	This budget is used to undertake works pertaining to the neighbourhood of the future projects, which is solely funded by TfL	200	153	(48)	102
453	New workspace scheme at Stoneleigh Road car park	This budget is for the provision of mixed use workspace and housing. This budget is for the workspace element	0	0	0	0
454	HALS Improvement Programme	The scheme is to improve the physical environment of the service and to improve its on line offer	304	225	(79)	16
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	The funding is to be used for a replacement IT solution for planning	642	405	(237)	(7)
457	Future High Street Project	This budget funded by MHCLG is to deliver site acquisition, public realm improvements, workspace, market, community spaces and CCTV investments in Seven Sisters,	6,302	4,811	(1,491)	4,587

		Tottenham Green and Bruce Grove.				
458	SIP - Northumberland PK BB & WorkSpace/Biz Support	This is a grant funded project to deliver broadband and Workspace/business support.	252	252	(0)	226
459	Wood Green Regen Sites	This scheme is to deliver the WG cultural quarter, WG central and Turnpike lane improvement plan.	788	241	(547)	(547)
464	Bruce Castle	The funding is to match fund eternal funding (should there be any) and spend is subject to a successful business case	557	257	(300)	257
465	District Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	560	560	(1)	(1)
470	Wood Green Library & Customer Service Centre	This budget is for the development of the WG headquarters and associated works	7,788	0	(7,788)	0

471	Tailoring Academy Project	This is a grant to the Tailoring Academy	15	5	(10)	(4)
473	Enterprising Tottenham High Road (ETHR)	This budget funded by GLA is to invest in workspace in Bruce Grove	1,181	408	(773)	(773)
474	Tottenham High Road Strategy	The budget is the LBH contribution to support delivery of projects within Tottenham High Road strategy area	807	721	(86)	(19)
475	Heart of Tottenham (HOT)	This budget is for the delivery of the Tottenham Green phase two works, which entails the creation of a new public square (behind the old town hall), hard & soft landscaping and a new Library garden.	173	197	24	73
478	Wood Green Good Growth Fund	This is a GLA funded scheme to promote growth in WG area.	277	640	363	350
479	54 Muswell Hill Health Centre	The Council is leasing the property to the NHS and the funding is to undertake some remedial works to the property and cover professional fees	100	0	(100)	(100)
480	Wood Green Regen (2)	This budget is to facilitate the wider	696	1,083	387	385

		regeneration of the WG area.				
481	Strategic Investment Pot	This is funding provided the Corporation of London for economic development purposes	2,031	950	(1,081)	950
482	Strategic Property	This is funding for works to the commercial portfolio	5,202	0	(5,202)	(3,170)
483	Production Valley Fund (SIP)	This budget provides loans to businesses and is funded by the Corporation of London	643	643	0	0
488	Liveable Seven Sisters (LSS)	This budget is to deliver public realm and parks improvements in Seven Sisters	0	0	0	0
493	Bruce Grove Yards (BGY)	This budget is to deliver public realm improvements in Bruce grove	0	0	0	0
4001	Maintenance of Tottenham Green Workshops	This is to undertake landlord works at the site	681	30	(651)	(649)
4002	Northumberland Park estate area public realm	This funding is to improve the public realm in this area	500	250	(250)	(250)
4003	Tottenham Hale Housing Zone Funding	This budget funded by GLA is to invest in public realm within the Tottenham Hale Housing Zone	532	532	(0)	32

4005	SME Workspace Intensification	The funding is to intensify use of the Council's industrial estate and spend is subject to a successful business case	684	0	(684)	(683)
4006	Acquisition of head leases	The funding is to acquire headleases and any acquisition will be subject to a successful business case	5,400	5,400	(0)	5,400
4007	Tottenham Hale Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	685	685	0	0
4008	Wood Green Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	1,085	660	(425)	(425)
4009	Additional Carbon Reduction Project	This budget is to assist other capital schemes to become more carbon efficient and it is self-funded.	500	150	(350)	150
4010	Selby Urban Village Project	The funding is to support the redevelopment of the Selby Centre and associated works	1,197	663	(534)	214

4011	Commercial Property Remediation	Funding to undertake landlord obligations.	109	183	74	75
4993	Pride in the High Road (PITHR)	This budget is to deliver placemaking / identity projects along Tottenham High Road	0	0	0	0
Economy - Growth & Employment			58,841	37,642	(21,199)	(11,054)
<p>The Economy capital programme has reprofiled resources of £6.67m into future years. The scheme that have been reprofiled is The Tottenham Hale Housing Zone funding budget, due to the planned utilisation of other external funds, such as the GLA - GGF and FHSF first.</p> <p>The quarter 2 forecast is reporting an under budget position of £21.2m. The major contributors to the adverse variance are the Wood Green Library & Customer Service Centre, £7.8m, Strategic Property, £5.2m, underspend on the Future High Streets Fund projects, £1.5m, Strategic Investment Pot project, £1.1m. There are range of other smaller underspends.</p>						
<p>The quarter 2 forecast is reporting a forecast reduction of £11.1m in comparison to quarter 1. The major contributors to the variance are due to anticipated reduction in spend on the Regen Site Acquisition forecast, £11.3m, Wards Corner CPO forecast, £3.5m and Strategic Property forecast, £3.2m. There are range of other smaller slippages and minor variations.</p>						
509	CPO - Empty Homes	The budget is to allow the Council to undertake CPO on properties should it be required	0	0	0	0
512	Wholly Owned Company	The funding is to enable the establishment of a company should it be decided to establish one.	0	0	0	0
Housing (GF) Homes & Communities			0	0	0	0

The Housing General Fund budget is reporting no spend and no forecast spend. The budgets contained within this area are framework budget, the CPO budget, £8.1m and the budget for the Wholly Owned Company, £5m.

601	Business Imp Programme	This budget is funding IT development to support the new ways of working	122	44	(78)	(4)
602	Corporate IT Board	This budget is funding IT development to support the new ways of working	1,520	1,232	(288)	177
604	Continuous Improvement	This budget delivers upgrade to the council's IT infrastructure.	2,245	2,101	(144)	1,410
605	Customer Services (Digital Transformation)	This budget is to provide capital works at the WG Customer Services centre.	471	221	(250)	(250)
607	Financial Management System Replacement	The budget is to fund upgrades to the existing SAP system to enhance functionality	2,522	1,853	(669)	46
622	Customer First	This budget is to support the delivery of the councils Customer First strategy.	101	105	4	(589)
624	Digital Together	This budget is to support the delivery of the councils Customer First strategy.	500	0	(500)	0

639	Ways of Working	This budget is to support the delivery of the councils accommodation strategy.	483	89	(393)	34
640	Accommodation Move	This budget supports capital expenditures associated with office moves.	0	0	0	(0)
650	Connected Communities	This budget provides capital funds to support the Connected Communities initiative.	1,258	0	(1,258)	0
653	Capital Support for IT Projects	This budget provides IT support to other schemes in the programme and it's self-funding.	784	341	(443)	(82)
698	Responsiveness Fund	The budget is to allow the Council to respond to in year match funding opportunities	2,000	2,000	0	0
316	Asset Management of Council Buildings	This scheme funds works to the council's operational buildings.	9,222	8,403	(818)	1,055
330	Civic Centre Works	This scheme is for the Civic centre refurbishment works	7,703	7,703	0	1
699	P6 - Approved Capital Programme Contingency	This is the approved capital programme contingency.	2,187	2,187	(0)	(739)
Your Council			31,118	26,280	(4,838)	1,058

The quarter 2 forecast is an adverse variance of £4.8m. The main contributors to the variance are due following programmes: replacement of the financial management system, £0.7m, the connected communities programme, £1.3m, and Digital Together programme, £0.5m. The asset management of council buildings budget is projecting to underspend by £0.8m. However, it is possible that expenditure will improve throughout the year and there are other minor variations within other programmes.

The quarter 2 forecast is an adverse variance of £1.1m from quarter 1. The main contributors to this variance is attributable to Corporate Landlord and continuous Improvement budgets, due to planned external refurbishment projects works at St Anns, Muswell Hill and Highgate Libraries, including other extension and refurbishment works. There are other minor variations.

TOTAL GF CAPITAL PROGRAMME			189,550	141,722	(47,829)	(19,049)
202	HRA - P2 Aids, Adap's & Assist Tech -Council	Adaptations capital works for Council HRA properties to enable identified residents to help live an independent life.	1,100	1,100	(0)	(0)
550	New Homes Acquisition	Acquisition of new homes to supplement the existing HRA housing stock	75,441	37,814	(37,627)	(5,951)
551	Existing Home Acquisitions - TA	Acquisition of existing homes to supplement existing HRA housing stock	33,877	31,732	(2,145)	440
552	HRA – P5 Carbon Reduction	HRA capital programme contribution to the authorities overall climate change action plan to substantially reduce carbon emissions in	5,892	5,200	(692)	(19)

		the housing stock (managed by HfH)				
553	HRA – P5 Fire Safety	HRA capital programme fire safety essential compliance works to the housing stock. (managed by HfH)	15,329	6,358	(8,971)	226
554	Broadwater Farm Project	Demolition and re- building of identified blocks within the Broadwater Farm estate due to urgent health & safety issues.(managed by HfH)	14,529	7,847	(6,682)	(1,082)
590	HRA - P5 Homes for Haringey (HFH)	HRA housing stock original capital existing stock programme , includes internal and external major , legacy decent homes and Noel park pods works programmes. (managed by HfH)	64,178	39,285	(24,893)	(3,744)
599	New Homes Build Programme	Building of new homes to supplement and increase the existing HRA housing stock	66,687	22,815	(43,872)	(18,906)
TOTAL HRA CAPITAL PROGRAMME			277,033	152,151	(124,882)	(29,038)

In comparison to quarter one's position, the overall HRA Capital programme is reporting a projected total underspend of £29m. The significant variances relates to New Homes build & Acquisitions, and Existing stock maintenance programme. These are caused by programme slippages due to the impacts Covid and Brexit have had on supply of materials and building costs. These led to delays on some onsite activity and procurement processes. Additionally, Covid has impacted on resources in the various teams tasked with delivering the programmes, as well as supporting Teams.

OVERALL CAPITAL PROGRAMME			466,583	293,872	(172,711)	(48,087)

2021/26 (GF) CAPITAL MTFB BUDGET (INCLUDING 2020/21 C/F's) STORY BOARD AS AT QUARTER TWO

APPENDIX 5

SCHEME REF	SCHEME NAME	2021/22 Revised Budget	2021/22 (IN-YEAR) Budget Virement	2021/22 (FUTURE YEARS) Budget Virement	2021/22 Revised Budget (aft Virement)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2021/22 - 25/26 Total	Overall 2021 - 26 MTFB Budget Variance (Increase / (Decrease))
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
101	Primary Sch - repairs & maintenance	5,091	1,754		6,845	5,700	5,000	5,000	5,000	27,545	18,454
102	Primary Sch - mod & enhance (Inc SEN)	28,755	(2,002)	(2,627)	24,126	15,452	13,480	11,000	4,000	68,058	(18,702)
103	Primary Sch - new places	362			362	0	0	0	0	362	0
104	Early years	205			205	0	0	0	0	205	0
109	Youth Services	229			229	0	0	0	0	229	0
110	Devolved Sch Capital	531			531	531	531	531	531	2,655	0
114	Secondary Sch - mod & enhance (Inc SEN)	5,997		(968)	5,029	270	270	270	270	6,107	0
117	Children Safeguarding & Social Care	495			495	0	0	0	0	495	0
118	Special Educational Needs Fund (New Provision Fund)	0	1,024		1,024	0	0	0	0	1,024	1,024
121	Pendarren House	2,276		(1,418)	858	2,243	2,913	70	0	6,084	0
122	Alternative Provision Strategy	1,300		(1,300)	0	600	1,800	4,800	4,800	12,000	0
123	Wood Green Youth Hub	1,015	208		1,223	0	0	0	0	1,223	208
199	P1 Other (inc Con't & Social care)	223		(125)	98	125	0	0	0	223	0
People - Children's		46,478	984	(6,438)	41,024	24,921	23,994	21,671	14,601	126,209	984
201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	3,095	486		3,581	2,193	2,193	2,193	2,200	12,360	486
207	New Day Opp's Offer	66			66	0	0	0	0	66	0
208	Supported Living Schemes	6,456		(6,000)	456	4,500	3,000	3,000	0	10,956	0
209	Assistive Technology	1,759			1,759	500	0	0	0	2,259	0
211	Community Alarm Service	177			177	177	177	177	177	885	0
212	Linden House Adaptation	35			35	0	0	0	0	35	0
213	Canning Crescent Assisted Living	6,390		(2,809)	3,581	100	0	0	0	3,681	(3,759)
214	Osborne Grove Nursing Home	17,783		(16,000)	1,783	6,036	34,504	2,545	1,094	45,962	(0)
217	Burgoyne Road (Refuge Adaptations)	2,736		(2,000)	736	2,250	0	0	0	2,986	0
218	Social Emotional & Mental Health Provision	900			900	600	600	600	0	2,700	0
221	Social Care System Implementation	1,600			1,600	1,600	0	0	0	3,200	0
People - Adults		40,996	486	(26,809)	14,673	17,956	40,474	8,515	3,471	85,089	(3,274)

119	School Streets	1,105		1,105	600	600	600	0	2,905	0	
301	Street Lighting	1,513		1,513	1,300	1,300	1,300	1,300	6,713	0	
302	Borough Roads	4,716		4,716	4,769	6,044	6,924	6,924	29,377	0	
303	Structures (Highways)	526		526	0	0	0	0	526	0	
304	Flood Water Management	734	175	909	680	710	0	0	2,299	175	
305	Borough Parking Plan	714		714	321	321	321	321	1,998	0	
307	CCTV	1,784		1,784	1,000	550	0	0	3,334	0	
309	Local Implementation Plan(LIP)	1,949	(780)	1,169	1,000	1,000	1,000	1,000	5,169	(780)	
310	Developer S106 / S278	869		869	250	250	250	250	1,869	0	
311	Parks Asset Management:	433	26	458	300	300	300	300	1,658	26	
313	Active Life in Parks:	1,014		1,014	230	230	230	230	1,934	0	
314	Parkland Walk Bridges	2,252		1,133	1,615	85	0	0	2,833	0	
317	Down Lane MUGA	57		57	0	0	0	0	57	0	
321	MOPAC - Crime & Disorder Reduction	49		49	0	0	0	0	49	0	
322	Finsbury Park	1,135		135	600	600	1,000	0	2,335	0	
323	Parking Strategy	960	200	1,160	0	0	0	0	1,160	200	
325	Parks Vehicles	720		0	720	0	0	0	720	0	
328	Street & Greenspace Greening Programme	283		283	100	100	100	0	583	0	
329	Park Building Carbon Reduction and Improvement Programme	1,050		1,050	800	800	0	0	2,650	0	
331	Updating the boroughs street lighting with energy efficient Led light bulbs	4,151		4,151	0	0	0	0	4,151	0	
332	Disabled Bay/Blue Badge	552		552	0	0	0	0	552	0	
333	Waste Management	270		270	200	0	0	0	470	0	
334	Parks Depot Reconfiguration	400		400	0	0	0	0	400	0	
335	Streetspace Plan	5,370	(270)	5,100	0	0	0	0	5,100	(270)	
336	New River Acquisition	0	305	305					305	305	
419	NPD Phase 2 LBH Match Funding	5		5	0	0	0	0	5	0	
444	Marsh Lane	8,754		8,754	266	0	0	0	9,020	0	
447	Alexandra Palace - Maintenance	470	1,351	1,821	470	470	470	470	3,701	1,351	
472	JLAC Match Fund	880		880	0	0	0	0	880	0	
606	Hornsey Library Refurbishment	0	16	16	0	0	0	0	16	16	
621	Libraries IT and Buildings upgrade	1,996		1,996	0	0	0	0	1,996	0	
623	Wood Green Library	1,000		1,000	1,000	0	0	0	2,000	0	
652	Libraries - Re-imaging our Libraries offer for a better future	650		0	650	0	0	0	650	0	
Place - Safe & Sustainable Places		46,360	1,023	(3,489)	43,894	16,871	13,360	12,495	10,795	97,415	1,023

401	Tottenham Hale Green Space	810		542	1,352	4,406	2,055	4,849	0	12,661	0
402	Tottenham Hale Streets	11,221		(9,461)	1,759	9,143	800	1,319	0	13,021	0
4003	Tottenham Hale Housing Zone Funding	6,735		(6,203)	532	10,989	0	3,203	0	14,724	(0)
404	Good Economy Recovery plan	1,637			1,637	500	100	0	0	2,237	0
406	Opportunity Investment Fund	542			542	0	0	0	0	542	0
411	Tottenham Heritage Action Zone (HAZ)	1,319	260		1,579	2,000	1,200	0	0	4,779	260
415	North Tott Heritage Initiative	360			360	0	0	0	0	360	0
418	Heritage building improvements	1,589			1,589	0	0	0	0	1,589	0
421	HRW Acquisition	107,738			107,738	3,940	6,830	6,000	4,600	129,108	0
429	Site Acq (Tott & Wood Green)	57,072			57,072	14,000	10,000	12,000	0	93,072	0
430	Wards Corner CPO	10,000			10,000	0	0	0	0	10,000	0
435	Wood Green Station Road	0			0	0	0	0	0	0	0
438	Vacant possession Civic Centre (Woodside House Refurbishment)	22			22	0	0	0	0	22	0
452	Low Carbon Zones	50	150		200	0	0	0	0	200	150
453	New workspace scheme at Stoneleigh Road car park	400	(400)		0	1,000	0	0	0	1,000	(400)
454	HALS Improvement Programme	125	178		303	0	0	0	0	303	178
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	642			642	0	0	0	0	642	0
457	Future High Sreet Project	0	6,302		6,302	0	0	0	0	6,302	6,302
458	SIP - Northumberland PK BB & Workspace/Biz Support	0	1,742	(1,490)	252	1,490	0	0	0	1,742	1,742
459	Wood Green Regen Sites	0	788		788	0	0	0	0	788	788
464	Bruce Castle	5,557		(5,000)	557	6,000	8,500	5,000	0	20,057	0
465	District Energy Network (DEN)	2,331		(1,771)	560	6,500	3,500	1,771	0	12,331	0
470	Wood Green Library & Customer Service Centre	7,788			7,788	6,400	7,000	6,000	0	27,188	0
471	Tailoring Academy Project	15			15	0	0	0	0	15	0
473	Enterprising Tottenham High Road (ETHR)	1,907	(726)		1,181	451	0	0	0	1,632	(726)
474	Tottenham High Road Strategy	484	323		807	587	0	0	0	1,394	323
475	Heart of Tottenham (HOT)	773	(600)		173	0	0	0	0	173	(600)
478	Wood Green Good Growth Fund	50	227		277	0	0	0	0	277	227
479	54 Muswell Hill Health Centre	100			100	0	0	0	0	100	0
480	Wood Green Regen (2)	9,269	(946)	(7,627)	696	8,000	7,750	8,664	7,627	32,736	(877)
481	Strategic Investment Pot	2,831	(800)		2,031	1,950	0	0	0	3,981	(800)
482	Strategic Property	5,202			5,202	254	3	0	0	5,459	0
483	Production Valley Fund (SIP)	643			643	0	0	0	0	643	0
488	Liveable Seven Sisters (LSS)	1,704	(1,704)		0	2,250	1,019	0	0	3,269	(1,704)
493	Bruce Grove Yards (BGY)	1,326	(1,326)		0	1,670	218	0	0	1,888	(1,326)
4001	Maintenance of Tottenham Green Workshops	681			681	0	0	0	0	681	0
4002	Northumberland Park estate area public realm	1,000		(500)	500	500	0	0	0	1,000	0
4005	SME Workspace Intensification	2,116	(1,432)		684	3,500	4,000	0	0	8,184	(1,432)
4006	Acquisition of head leases	19,981		(13,000)	6,981	12,000	13,000	0	0	31,981	0
4007	Tottenham Hale Decentralised Energy Network (DEN)	1,814		(1,129)	685	3,129	5,000	7,000	7,500	23,314	0
4008	Wood Green Decentralised Energy Network (DEN)	1,614		(529)	1,085	2,529	2,500	7,500	7,500	21,114	0
4009	Additional Carbon Reduction Project	4,500		(4,000)	500	3,000	3,000	3,000	4,000	13,500	0
4010	Selby Urban Village Project	5,297		(4,100)	1,197	25,000	25,000	15,000	21,416	87,613	0
4011	Commercial Property Remediation	109			109	0	0	0	0	109	0
4993	Pride in the High Road (PITHR)	696	(696)		0	432	0	0	0	432	(696)
Economy - Growth & Employment		278,051	1,341	(54,269)	225,122	131,619	101,474	81,306	52,643	592,164	1,409

509	CPO - Empty Homes	8,050			8,050	1,000	1,000	0	0	10,050	0
512	Wholly Owned Company	5,000			5,000	0	0	0	0	5,000	0
Housing (GF) Homes & Communities		13,050	0	0	13,050	1,000	1,000	0	0	15,050	0
316	Asset Management of Council Buildings	9,222			9,222	4,331	1,381	4,000	4,000	22,934	0
330	Civic Centre Works	7,703			7,703	5,500	4,500	5,000	1,250	23,953	0
601	Business Imp Programme	122			122	0	0	0	0	122	0
602	Corporate IT Board	2,796	124	(1,400)	1,520	1,400	0	0	0	2,920	1,558
604	Continuous Improvement	2,245	0		2,245	950	950	950	950	6,045	282
605	Customer Services (Digital Transformation)	471			471	0	0	0	0	471	0
607	Financial Management System Replacement	2,522			2,522	650	0	0	0	3,172	0
622	Customer First	2,101	(2,000)		101	0	0	0	0	101	(2,000)
624	Digital Together	0	500		500	0	0	0	0	500	500
639	Ways of Working	483			483	0	0	0	0	483	0
640	Accommodation Move	0			0	0	0	0	0	0	0
650	Connected Communities	1,258			1,258	0	0	0	0	1,258	0
653	Capital Support for IT Projects	784			784	450	450	450	450	2,584	(282)
698	Responsiveness Fund	2,000			2,000	0	0	0	0	2,000	0
699	P6 - Approved Capital Programme Contingency	3,800	(1,613)		2,187	0	0	0	0	2,187	(4,113)
Your Council		35,507	(2,989)	(1,400)	31,118	13,281	7,281	10,400	6,650	68,730	(4,055)
TOTAL GF CAPITAL PROGRAMME		460,441	845	(92,405)	368,881	205,647	187,583	134,386	88,160	984,657	(3,912)

APPENDIX 6

Virements for Cabinet Approval – all within the Council's Financial Framework

Transfers from Reserves & Contingencies - for noting							
Period	Priority	Service/AD Area	Rev/ Cap	In year	Next year	Reason for budget changes	Description
8	Place	Environment & Neighbourhoods	Revenue	397,000	397,000	Budget funding allocation	Drawdown from Transformation Reserve to support the Waste Transformation Programme.
Virements for Approval (2021/22)							
6	People	Childrens	Revenue	435,800	435,800	Budget Realignment	Alignment of the Park Lane, Triangle and Woodside childrens centres budgets for 2021-22 to reflect actual performance.
6	Your Council	Dedicated Schools Grant (DSG)	Revenue	2,176,450	2,176,450	Budget Adjustment	Adjustments include increasing In-Year Fair Access panel staff budget to match 2020/21 outturn and increasing the Top-Up and Place Funding budgets that goes to special schools in order to match projections.
8	HRA	Housing Revenue Account	Revenue	564,513		Budget Adjustment	Reallocation of budget to fund the one-off costs of insourcing Homes for Haringey (HfH)
8	Your Council	Chief Finance Officer	Revenue	4,340,000	4,340,000	Budget Realignment	Realignment of Capital Financing budgets to better reflect actual costs
		Total 2021/22		7,913,763	7,349,250		

Proposed Capital Virements for Quarter 2 (2021/22)

Priority	Scheme Number	Scheme Description	Budget Adjustment (Virement) (£)	Scheme Description
People - Children's	118	Special Educational Needs Fund (New Provision Fund)	1,023,938	2021/22 SEND capital grant award
People - Children's	122	Alternative Provision Strategy	(1,300,000)	Budget reprofiled to future years
People - Children's	123	Wood Green Youth Hub	(40,000)	Budget transfer to capital contingency
			(316,062)	
Place	304	Flood Water Management	175,000	Budget transfer from capital contingency
Place	309	Local Implementation Plan(LIP)	885,323	Budget adjustment in line with TfL quarter 2 award
Place	311	Parks Asset Management:	25,500	Wolves Lane Consortium Pocket Park Fund from MHCLG
Place	336	New River Acquisition	305,000	Budget transfer from capital contingency
Place	325	Parks Vehicles	(720,000)	Budget reprofiled to future years
Place	447	Alexandra Palace - Maintenance	493,421	Ally Pally Capital Loan - Salix Funding
			1,164,244	
Economy	452	Low Carbon Zones	150,000	Green Homes Grant - S106 Funding agreement
Economy	454	HALS Improvement Programme	3,838	unused 2020/21 GLA funding re: HAL-DIP programme
Economy	454	HALS Improvement Programme	175,000	Budget transfer from capital contingency
Economy	458	SIP - Northumberland PK BB & WorkSpace/Biz Support	222,222	2021/22 Digital Connectivity Fund from Local London
Economy	4003	Tottenham Hale Housing Zone Funding	(6,663,000)	Budget reprofiled to future years
			(6,111,940)	
Your Council	699	P6 - Approved Capital Programme Contingency	(175,000)	Budget transfer to Flood Water Management
Your Council	699	P6 - Approved Capital Programme Contingency	(305,000)	Budget transfer to New River Acquisition
Your Council	699	P6 - Approved Capital Programme Contingency	(124,000)	Budget transfer to Corporate IT Board
Your Council	699	P6 - Approved Capital Programme Contingency	40,000	Budget transfer from Wood Green Youth Hub
Your Council	699	P6 - Approved Capital Programme Contingency	(175,000)	Budget transfer to HALS Improvement Programme
Your Council	604	Continuous Improvement	1,000,000	Budget added back after reduction in Qtr. 1
Your Council	622	Customer First	(1,500,000)	Budget deletion
Your Council	622	Customer First	(500,000)	Budget transfer to Digital Together
Your Council	624	Digital Together	500,000	Budget transfer from Customer First
Your Council	602	Corporate IT Board	124,000	Budget transfer from capital contingency
			(1,115,000)	
		OVERALL TOTAL =	(6,378,758)	

APPENDIX 7**Write off Summary Report - Quarter 2**

All Council debt is considered recoverable; the Corporate Debt Management Service makes every effort to collect charges due to the Council. However, in some circumstances it is appropriate to write off a debt when all forms of recovery action have been exhausted.

Council Debt is written off in line with the instructions set out within the Financial Regulations, following Legal advice, Court instruction or in accordance with the Limitations Act 1980.

This quarterly report is for information purposes only, which details the debts that have been approved for write off for the Financial Period 1st July 2021 – 30th Sept 2021 (**Q2**). These relate to delinquent accounts where all forms of recovery action had been fully exhausted. The sums approved for write off by the Director of Finance under his delegated authority have been adequately provided for in the Council's Bad Debt Provision.

The table below summarises the Q2 write off by service type, value and volume.

Quarter 2 Write Off, Financial Period 1st July 2021 - 30th Sept 2021									
Service	Council Tax	NNDR	HBOP	HRA Rent	Leaseholder	Commercial Rent	Sundry Debt	Parking	Total
Under £50k	£21,604.04	£0.00	£23,543.14	£0.00	£0.00	£0.00	£268,937.20	£14,683,305.52	£14,997,389.90
Volume	66	0	260	0	0	0	26	84602	84954
Over £50k	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00
Volume	0	0	0	0	0	0	0	0	0
Total Value	£21,604.04	£0.00	£23,543.14	£0.00	£0.00	£0.00	£268,937.20	£14,683,305.52	£14,997,389.90
Total Volume	66	0	260	0	0	0	26	84602	84954

The Parking write off value is similar to Q3 from last year when £15m of write offs were submitted under the same reason. These cases relate to pre-2019 cases where the chance of recovery is deemed nil. The warrants are valid for one year and the enforcement agents had exhausted the recovery process. Parking services have identified a number of new measures that have been incorporated into the new IT system; these are expected to lessen the number of cases that are written off moving forward.

The category composition of the above write offs is shown below;

Council Tax	Composition	Housing Benefit Overpayment	Composition
Debtor Deceased / No Probate Granted	9%	Debtor Deceased / No Probate Granted	5%
Whereabouts Unknown / Abscond	61%	Statute Barred	1%
Statute Barred	1%	Uneconomic to Pursue	94%
Petty Amount	29%		
Sundry Debt	Composition	Parking	Composition
Debtor Deceased / No Probate Granted	86%	Uneconomic to Pursue	100%
Recommended by Legal	11%		
OIF Loan	3%		

All write off submissions were reviewed to ensure that all avenues of collection had been exhausted with no further prospect of recovery. It is noted that write off processing activity has slowed down across the board this year due to the increased focus on debt recovery activity. Nonetheless, it is also noted that where write offs are legitimately warranted, they ought to be actioned in a timely manner to provide the most accurate view of corporate debt levels. The cumulative write off totals this year are shown below;

Write Off Summary, Financial Year 1st April 2021 - 31st March 2022									
Service	Council Tax	NNDR	HBOP	HRA Rent	Leaseholder	Commercial Rent	Sundry Debt	Parking	Total
Under £50k	£41,133.97	£34,273.51	£221,217.74	£0.00	£0.00	£0.00	£578,381.22	£14,683,305.52	£15,558,311.96
Volume	98	24	319	0	0	0	49	84602	85092
Over £50k	£0.00	£0.00	£0.00	£0.00	£0.00	£204,086.76	£282,000.00	£0.00	£486,086.76
Volume	0	0	0	0	0	2	1	0	3
Total Value	£41,133.97	£34,273.51	£221,217.74	£0.00	£0.00	£204,086.76	£860,381.22	£14,683,305.52	£16,044,398.72
Total Volume	98	24	319	0	0	2	50	84602	85095

Covid 19 Grants Allocated 2021/22

APPENDIX 8

Grant Name	Grant Type	£m
Local Restrictions (Closed)	Business	5.13
Welcome Back Fund (former RHSSF - Reopening High Streets Safely Fund)	Business Support	0.48
Business Restart Grant	Business Support	11.22
Additional Resctrictions Grant	Business Support	5.37
C19 Unringenced Grant (Local Authority Support Grant)	Emergency Funding	9.12
Contain Outbreak Management Fund (COMF)	Track & Trace / Outbreak Mgt	2.35
ASC Infection Control Fund 21/22 (Round 3)	Track & Trace / Outbreak Mgt	0.31
ASC Rapid Testing Fund (2) 21/22	Track & Trace / Outbreak Mgt	0.25
Local Council Tax Support Scheme	Welfare	3.61
C19 Unringenced Grant (Local Authority Support Grant)	Welfare	0.09
C-19 Winter Grant Tranche 3 (17 April to 20 June)	Welfare	0.23
C-19 Winter Grant Tranche 3 (21 June to 30 Sept)	Welfare	0.93
Self Isolation support Framework (Marcjh-June21)	Welfare	0.38
Self Isolation support Framework (July 21)	Welfare	0.09
Clinically Extremely Vulnerable Support Funding (CEV)	Welfare	0.33
Clinically Extremely Vulnerable Support Funding (CEV)	Welfare	0.20
Track & Trace April 2021 - Discretionary Payments	Welfare	0.17
Track & Trace September 2021 - Discretionary Payments	Welfare	0.09
Household Support Fund	Welfare	2.41
Track and Trace Oct-Dec 2021 Main Scheme and Administration	Welfare	0.31
Track and Trace Aug-Sept 2021 Main Scheme	Welfare	0.03
	Total	43.09

Report for: Overview and Scrutiny Committee – 20 January 2022

Title: Overview and Scrutiny Committee and Scrutiny Panel Work Programme

Report authorised by: Ayshe Simsek, Democratic Services and Scrutiny Manager

Lead Officer: Dominic O'Brien, Principal Scrutiny Support Officer
Tel: 020 8489 5896, E-mail: dominic.obrien@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 This report updates the Committee on the work plans for 2021-22 for the Committee and its Panels.

2. Recommendations

2.1 To note the current work programmes for the main Committee and Scrutiny Panels at Appendix A and agree any amendments, as appropriate; and

3. Reasons for decision

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

4. Background

4.1 The Committee approved the draft workplans for 2021-22 for the Committee and its Panels. Further work has been undertaken and their latest iterations are attached as **Appendix A**.

4.2 Local elections are due to take place in 2022 so it is very important that all outstanding work is completed before the end of the year. In particular, all reviews should be finalised in good time so they can be approved by the Committee. It is therefore advised that all evidence gathering activities as part of reviews be completed before the end of the calendar year. If a review is not finished before the end of the administration, it may be difficult to carry it over to the new administration due to the loss of continuity. An earlier deadline will need to be factored into work plans if Members wish their review reports considered by Cabinet before the end of the administration.

Review on Violence Against Women and Girls

- 4.3 The decision was taken at the previous meeting to amend the terms of reference for the Gun and Knife Crime Review to focus exclusively on violence against women and girls (VAWG) with the other areas on gun and knife crime to be scrutinised further at a later date. An initial evidence session with the Director for Public Health and the Strategic Lead and Commissioner for VAWG took place in October 2021 and further evidence sessions being added in January.

Gambling Inquiry Day

- 4.4 The Committee has previously indicated its intention to hold a scrutiny inquiry day to review the effectiveness of the local approach to understand and tackle gambling harms. The scrutiny officer has recently had initial conversations about the evidence likely to be required with the licensing team and the public health team. The inquiry day is scheduled to take place in early 2022 after the budget scrutiny process has been completed.

Forward Plan

- 4.5 Since the implementation of the Local Government Act and the introduction of the Council's Forward Plan, scrutiny members have found the Plan to be a useful tool in planning the overview and scrutiny work programme. The Forward Plan is updated each month but sets out key decisions for a 3-month period.
- 4.6 To ensure the information provided to the Committee is up to date, a copy of the most recent Forward Plan can be viewed via the link below:

<http://www.minutes.haringey.gov.uk/mgListPlans.aspx?RP=110&RD=0&J=1>

- 4.7 The Committee may want to consider the Forward Plan and discuss whether any of these items require further investigation or monitoring via scrutiny.

5. Contribution to strategic outcomes

- 5.1 The contribution of scrutiny to the corporate priorities will be considered routinely as part of the OSC's work.

6. Statutory Officers comments

Finance and Procurement

- 6.1 There are no financial implications arising from the recommendations set out in this report. Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications these will be highlighted at that time.

Legal

- 6.2 There are no immediate legal implications arising from the report.

- 6.3 In accordance with the Council's Constitution, the approval of the future scrutiny work programme falls within the remit of the OSC.
- 6.4 Under Section 21 (6) of the Local Government Act 2000, an OSC has the power to appoint one or more sub-committees to discharge any of its functions. In accordance with the Constitution, the appointment of Scrutiny Panels (to assist the scrutiny function) falls within the remit of the OSC.
- 6.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the Overview and Scrutiny Committee. Such reports can then be referred to Cabinet or Council under agreed protocols.

Equality

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

7. Use of Appendices

Appendix A: Work Plans for the Committee and the scrutiny panels.

8. Local Government (Access to Information) Act 1985

N/A

Overview and Scrutiny Committee

Work Plan 2021-22

<p>1. Scrutiny review projects; These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e. ones that cover the terms of reference of more than one of the panels.</p>		
Project	Comments	Priority
High Road West Regeneration Site	Completion of review previously undertaken by the Housing and Regeneration Scrutiny Panel	Complete
Violence against women and girls.	<p>The refocused terms of reference for this Review is attached</p> <p>The first evidence sessions for this Review took place in September 2021.</p> <p>Sessions continuing in Jan/ Feb 2022</p>	

2. **“One-off” Items;** These will be dealt with at scheduled meetings of the Committee. The following are suggestions for when particular items may be scheduled.

Date	Potential Items	Lead Officer/Witnesses
8 June 2021	Cabinet Member Questions: Leader	Leader and Chief Executive
	Performance update; To monitor performance against priority targets	Performance Manager
	Terms of Reference	Principal Scrutiny Officer
	Overview and Scrutiny Work Plan	Principal Scrutiny Officer
	Impact of Covid	Head of Policy and Cabinet Support
6 July 2021	Cabinet Member Questions - Cabinet Member for House Building, Place-Making and Development	Cabinet Member and officers
	Haringey Good Economy and High Streets Action Recovery Plan	

		Assistant Director for Regeneration and Economic Development
	Gambling Policy	Licensing Team Leader
	Scrutiny reviews 2021/22; scopes, terms of reference and project plans	Panel Chairs
7 October 2021	Cabinet Member Questions; Cabinet Member for Finance and Transformation	Cabinet Member and officers
	2020/21 Provisional Outturn report	Director of Finance
	Performance update – Q1; To monitor performance against priority targets	Performance Manager
	Digital Together	Director of Customers, Transformation and Resources
29 November 2021	Cabinet Member Questions - Customer Service, Welfare and the Public Realm	Cabinet Member and officers
	Performance update – Q2; To monitor performance against priority targets	Performance Manager

	Working with the Voluntary and Community Sector	Director of Customers, Transformation and Resources
	Complaints Annual Report	Head of Customer Experience & Operations
13 January 2022	Your Council Budget Proposals	Director of Customers, Transformation and Resources
20 Jan 2022	Finance Quarter 2 Budget Scrutiny; Panel feedback and recommendations. To consider panel's draft recommendations and agree input into Cabinet's final budget proposal discussions (Deputy Chair in the Chair)	Director of Finance Deputy Chair (in the Chair)
	Treasury Management Statement	Assistant Director of Finance

10 March 2022	Consultation, Engagement and Co-production	Head of Policy and Cabinet Support
	Fairness Commission	Head of Policy and Cabinet Support
	Health Inequalities	
	Universal Credit	Director of Customers, Transformation and Resources
	Scrutiny Reviews	Scrutiny Team

TBA:

- Fire Safety in High Rise Blocks
- Brexit

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Adults and Health Scrutiny Panel

Work Plan 2021 - 22

<p>1. Scrutiny review projects; These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all of these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e. ones that cover the terms of reference of more than one of the panels.</p>		
Project	Comments	Status
Adult Social Care commissioning	<p>This scrutiny review was established to examine the process behind commissioning decision-making including the overall strategic approach to commissioning, how decisions are tracked and measured, what key performance indicators are used, how return on investment is calculated and what criteria are used for tendering decisions.</p> <p>The final evidence sessions were held in March/April 2021 and the final report is expected to be published shortly.</p>	In progress
Sheltered Housing	<p>The aim of this scrutiny project is to review the current arrangements for the provision of sheltered housing in Haringey including the care and support provided to residents living in sheltered housing.</p> <p>Evidence sessions began in September 2021. Site visits to sheltered housing schemes are planned in December 2021.</p>	In progress

2. **“One-off” Items;** These will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.

Date	Agenda Items
2021-22	
24 June 2021 (Additional briefing meeting)	<ul style="list-style-type: none"> • Transfer of GP contracts from AT Medics to Operose Health
28 June 2021	<ul style="list-style-type: none"> • CQC Overview • Living Through Lockdown report (Joint Partnerships Boards) – response to recommendations • Public health response to Covid-19 pandemic
9 September 2021	<ul style="list-style-type: none"> • Cabinet Member Questions – Adults & Health • Day Opportunities Scrutiny Review – Follow up • Hospital Discharge Arrangements & Continuing Health Care
15 November 2021	<ul style="list-style-type: none"> • Haringey Safeguarding Adults Board – Annual Report 2020/21 • Locality Working

	<ul style="list-style-type: none"> • Adult Carers' Strategy 2020-2023
16 December 2021 (Budget Meeting)	<ul style="list-style-type: none"> • Budget scrutiny
3 March 2022	<ul style="list-style-type: none"> • Cabinet Member Questions – Adults & Health • CQC Overview • Update – Integrated Care Systems

Possible items to be allocated to Panel meetings:

- Impact of NCL CCG merger
- New community mental health model
- Supporting older people post-pandemic
- IAPT waiting times
- Council house adaptations

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Children and Young People’s Scrutiny Panel

Work Plan 2021 - 22

<p>1. Scrutiny review projects; These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e., ones that cover the terms of reference of more than one of the panels.</p>		
Project	Comments	Priority
Schools	<p>There are now a range of different types of school within the borough. These include:</p> <ul style="list-style-type: none"> • Community schools; • Foundation schools and voluntary schools; • Academies; • Free schools; and • Faith schools. <p>The resulting fragmentation presents challenges for local authorities. These include ensuring that all schools are providing a good standard of education and the planning and co-ordination of school places. In addition, schools are subject to varying degrees of local democratic control.</p> <p>The review will:</p> <ul style="list-style-type: none"> • Seek to identify the different categories of school that there are within Haringey and their characteristics as well as the diversity of curriculum and ethos offered by individual schools; 	In progress

	<ul style="list-style-type: none"> • Consider the ways that might be available to the Council to influence schools within the borough and, in particular, facilitate school improvement and co-ordination of school places most effectively; and • Look at practice in other local authority areas and what appears to have been most effective. <p>The review will then focus on how the Council might best respond strategically to the significant surplus in school reception places that there is within Haringey. These have serious budgetary implications for many primary schools due to the way in which schools are funded. Demand for school places is subject to fluctuation and there will also be a need for sufficient places to be available to accommodate future any increases in demand for places. As part of this, the review will consider:</p> <ul style="list-style-type: none"> • The role the Council has in working with schools to effectively manage the reductions in school rolls; • How a balanced range of school provision across the borough might best be maintained; and • What could be done to mitigate financial pressures on schools and ensure that any adverse effects on schools are minimised 	
Child Poverty	Scope and terms of reference to be determined.	

<p>2. “One-off” Items; These will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.</p>	
Date	Potential Items
2021-22	

20 July 2021	<ul style="list-style-type: none"> • Terms of Reference • Work Planning; To agree items for the work plan for the Panel for the forthcoming year • Cabinet Member Questions – Cabinet Member for Children, Education and Families • Covid; Impact on children and young people • Youth Services
23 September 2021	<ul style="list-style-type: none"> • Financial Monitoring • Annual Youth Justice Plan • Missing Children • Support to Refugee Afghan Children
18 November 2021	<ul style="list-style-type: none"> • Cabinet Member Questions – Cabinet Member for Children, Education and Families • Whittington Health Estates and Services Reconfiguration – Implementation • SEND Inspection
4 January 2022 (Budget Meeting)	<ul style="list-style-type: none"> • Budget scrutiny

	<ul style="list-style-type: none"> • Haringey Children’s Safeguarding Partnership – Annual Report • Youth Justice Thematic Inspection Report Findings • Children’s Social Care; Annual Report
7 March 2022	<ul style="list-style-type: none"> • Cabinet Member Questions – Cabinet Member for Children, Education and Families • Engagement with Young People • SEND Inspection & Strategy • Mental Health and Well-Being

TBA

SEND Transport

Children’s Social Care – Annual Report (deferred from 18 November)

Scrutiny Review of SEND – Update on Progress

Kinship Care

Environment and Community Safety Scrutiny Panel - Work Plan 2020-22

<p>▪ Scrutiny review projects; These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all of these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e. ones that cover the terms of reference of more than one of the panels.</p>		
Project	Comments	Priority
Low Traffic Neighbourhoods	Examining the Council’s plans to implement Low Traffic Neighbourhoods and examining What lessons can be learned from other local authorities who have successfully implemented similar schemes? The Panel were concerned about the communication and consultation process undertaken as part of the previous pilot scheme as part of Liveable Crouch End.	

Date of meeting	Potential Items
3 rd September 2020	<ul style="list-style-type: none"> • Membership & Terms of Reference. • Appointment of Non-Voting Co-opted Member • Covid-19 Recovery update

	<ul style="list-style-type: none"> • Update on Youth at Risk Strategy • Gangs, Knife Crime & Hotspot locations. (MOPAC Performance update?). <ul style="list-style-type: none"> ▪ Transport hubs as hotspot locations for crime, especially Finsbury Park, Turnpike Lane, Seven Sisters and surrounding areas, particularly drug-dealing, knife crime. ▪ Update on the Ducketts Common stakeholder Strategic Group • Work Programme: To agree items for the work plan for the Panel for this year. • Cabinet Member Questions; Communities, Safety and Engagement (to cover areas within the Panel’s terms of reference that are within that portfolio).
<p>3rd November 2020</p>	<ul style="list-style-type: none"> • Cabinet Member Questions; Climate Change and Sustainability • Improving Air Quality & reducing pollution • Street Trees & Update on Queens Wood • Update on Single Use Plastics Policy • Recycling Rate • Update on Parks and Green Spaces Strategy • Parks Performance • Membership and Terms of Reference • Appointment of non-voting co-optee

	<ul style="list-style-type: none"> • Work Plan
<p>Budget Scrutiny</p> <p>10th December 2020</p>	<ul style="list-style-type: none"> • Budget Scrutiny • Police Priorities in Haringey & Community Safety Partnership Update; To invite comments from the Panel on current performance issues and priorities for the borough’s Community Safety Partnership. • Update on Haringey & Enfield BCU integration. • Additional Police numbers in Haringey • Cabinet Member Questions: Communities, Safety and Engagement (to cover areas within the Panel’s terms of reference that are within that portfolio).
<p>4th March 2021</p>	<ul style="list-style-type: none"> • Cabinet Member Q&A – Cabinet Member for Transformation and Public Realm Investment. To question the Cabinet Member on current issues and plans arising for her portfolio. • Waste, recycling and street cleansing data • Update on Fly Tipping Strategy • Planned and Reactive Highways maintenance Performance • Work Plan update

<p>28th June 2021</p>	<ul style="list-style-type: none"> • Membership & Terms of Reference. • Appointment of Non-Voting Co-opted Member. • Work Programme • Cabinet Member Q&A – Cabinet Member Questions; Cabinet Member for Environment, Transport and the Climate Emergency and Deputy Leader of the Council • Strategic Transport update: <ul style="list-style-type: none"> ▪ TfL funding (post Covid) ▪ Reducing Congestion (Better west to east transport links) • Liveable Neighbourhoods
<p>9th September 2021</p>	<ul style="list-style-type: none"> • Cabinet Member Q&A – Cabinet Member for for Customer Service, Welfare and the Public Realm. • Waste, recycling and street cleansing data. • Briefing on the changes to Waste Legislation • 12 month update on the recommendations from the Review into Blue Badges and Supporting Better Access to Parking for Disabled People. Inc update on implementation of designated disabled bays. • Update on Parking Transformation Programme (inc. the new permit system).
<p>11th November 2021</p>	<ul style="list-style-type: none"> • Cabinet Member Q&A – Leader of the Council (N.B. questions which related to the Leader’s portfolio which the Panel has responsibility for i.e. Community Safety and Serious Youth violence). • Police Priorities in Haringey & Community Safety Partnership Update; To invite comments from the Panel on current performance issues and priorities for the borough’s Community Safety Partnership.

Appendix A

	<ul style="list-style-type: none"> • North London Waste Authority –Edmonton Incinerator & context within the wider Waste Strategy • Crime & ASB Hotspots. • Work Plan
<p>14th December 2021 (Budget Scrutiny)</p>	<ul style="list-style-type: none"> • Budget Scrutiny • Cabinet Member Q&A – Cabinet Member for Environment, Transport and the Climate Emergency and Deputy Leader of the Council. • Trees update – (Queen’s Wood, Parkland Walk [lessons learnt], staffing resources within Trees team, removal of street trees, funding for new trees)
<p>3rd March 2021</p>	<ul style="list-style-type: none"> • Update on CPZ coverage, Visitor permits and use of permits by staff • Update on Fly-tipping strategy • Overview of Traffic Management including enforcement of 20mph speed limit (Improving traffic flow, Reduction in HGVs and preventing rat running) • Cabinet Member Questions; Cabinet Member for for Customer Service, Welfare and the Public Realm

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Housing and Regeneration Scrutiny Panel

Work Plan 2021 - 22

<p>1. Scrutiny review projects; These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all of these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e. ones that cover the terms of reference of more than one of the panels.</p>		
Project	Comments	Status
Broadwater Farm	<p>A short scrutiny review was proposed at the Panel’s meeting in Sep 2021 to make recommendations to Cabinet on repair and maintenance issues on the Broadwater Farm estate. It was proposed that this would involve a one-day evidence gathering session, including a site visit to the estate.</p> <p>A site visit was conducted on 21st October. The Panel is in the process of drafting the recommendations.</p>	Evidence gathering completed
Wards Corner	<p>A short scrutiny review was proposed at the Panel’s meeting in Sep 2021 to make recommendations to Cabinet on the future of the Wards Corner market. It was proposed that this would involve a two-days of evidence gathering, including a site visit to the market.</p>	Started
The Future of Housing Management in Haringey	<p>A report to Cabinet in July 2021 recommended the approval of a consultation process with tenants and leaseholders on a proposal to bring Homes for Haringey back in-house. This Review will be comparing different models of housing management in local government to make recommendations for the future approach in Haringey.</p>	TBC

Sheltered Housing – Care and Support (Adults & Health Scrutiny Panel)	<p>To review the current arrangements for the provision of sheltered housing in Haringey including the care and support provided to residents living in sheltered housing. This Review is being conducted by the Adults & Health Scrutiny Panel but members of the Housing & Regeneration Scrutiny Panel may wish to provide some input given the overlap with its remit.</p> <p>Evidence sessions started in September 2021 – led by the Adults Panel.</p>	Started
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2. “One-off” Items; These will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.	
Date	Agenda Items
2021-22	
8 July 2021	<ul style="list-style-type: none"> • Update - High Road West • Update - Wards Corner • Update - Broadwater Farm • Update - HfH repairs service • Update - New Local Plan • Work Planning; To discuss items for the work plan for the Panel for 2021/22
13 September 2021	<ul style="list-style-type: none"> • Wards Corner Scrutiny Review – Follow up • Update – Broadwater Farm (Stapleford consultation) • Update – Broadwater Farm (Maintenance issues) • Update – HfH Repair Contracts

4 November 2021	<ul style="list-style-type: none"> • Update – St Ann’s Development • Climate Change – contribution to reducing carbon emissions from Cabinet Member portfolios • Love Lane estate ballot
9 December 2021 (Budget Meeting)	<ul style="list-style-type: none"> • Budget scrutiny.
28 February 2022	<ul style="list-style-type: none"> • Noel Park Scrutiny Review – Follow up

Possible items to be allocated to Panel meetings:

- Procurement in the Housing sector (including the London Construction Programme)
- Financing of housing developments
- Monitoring of progress - Accommodation Strategy
- Practice of separating social tenants from other private residents in the same housing developments
- Sheltered housing (Joint meeting with Adults & Health Scrutiny Panel)
- Creation of Residents Forums (one each to represent different tenures)
- Haringey Covid-19 Development Intelligence Group
- Fire safety in HfH estates
- Policy on demolition of existing council housing in order to build new properties through the housing delivery programme
- Tottenham Hale District Centre Framework
- Converted Properties cleaning service charge
- Decent Homes Plus
- Housing support services provided by local community organisations

- Empty homes
- Asset Management Strategy
- Funding models relating to the General Fund and the Housing Revenue Account
- Homelessness