

Appendix 6

Flexible Use of Capital Receipts

Flexible Use of Capital Receipts Strategy

1. The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

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

2. The schedule of the proposed utilisation of the flexible capital receipts is split into two components. The first is a list of investments that are a continuation of previously agreed schemes but are required to be reaffirmed as part of the Council’s budget setting process. The second list is of new proposals for 2023/24.

3. **List 1 - Previous indicative proposals for the flexible use of capital receipts requiring agreement**

- a) Counter Fraud. This funding is employing resources to undertake investigations under the proceeds of crime act (POCA).

List 2 - New proposals for the flexible use of capital receipts

- b) Corporate Support to all improvement programmes. A range of corporate services are required to assist in the delivery of the many improvement programmes. This funding will allow dedicated support to be accessed for all programmes. The savings are embedded in the individual improvement programmes so are not accounted for here.
- c) Think Haringey First. The projects from the original Digital Together Programme have been absorbed into a broader digitally enabled organisational change programme called Think Haringey First. There were two streams of work from Digital Together, one focused on digital customer service to provide a new website, significantly improved online offering and CRM for the contact centre has been moved into the Resident Experience workstream of Think Haringey First. The projects in the digital workplace programme will move into the Connected and Delivering workstream of Think Haringey First which is focussed on modernising and automating back office activity to generate efficiencies and improve productivity to which savings targets are attached.
- d) Service Change Fund (Redundancies). This budget is to fund the costs of statutory redundancy payments.
- e) Improvement to asset & energy management arrangements. The Council is working towards massively reducing its carbon footprint. This resource will enable the Council to ensure that the property we have is in an appropriate, compliant condition as well as providing funding for undertaking energy audits and responding to carbon reduction initiatives. All of which will reduce both costs and carbon in the future.
- f) Accommodation Strategy. The Council seeking to reduce the overall level of its accommodation that it uses for its own purposes for direct office accommodation but at the same time increase its presence through its localities strategy. This funding will provide resource to continue to drive this process through.

- g) Waste Service Strategic Review. The Council is reviewing its waste service in light of changing needs and regulatory changes. The MTF5 includes a saving of £1.3m from this review.
- h) Parking Service Improvements. To further improve the parking offer in the borough.
- i) Demand In Care Services. This funding will continue the work to manage demand for high-cost placements in the adults and children's care services through providing services earlier and in local settings.

The guidance requires that the impact on the Council's prudential indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. The indicators that will be impacted by this strategy are set out below:

- a. The Capital Financing Requirement will increase as these capital receipts would otherwise have financed capital expenditure or reduced borrowing.
- b. Financing costs as a percentage of the net revenue stream will rise as more borrowing is undertaken but the savings generated by the schemes will offset the costs arising from the additional borrowing. Therefore, there is no impact on Council Tax.

The prudential indicators show that this strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

| Ref. | Title | Estimated Investment | | | | | Total (£'000) | Estimated Savings | | | | | Total (£'000) |
|------|--------------------|----------------------|-----------------|-----------------|-----------------|-----------------|---------------|-------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | | 2023/24 (£'000) | 2024/25 (£'000) | 2025/26 (£'000) | 2026/27 (£'000) | 2027/28 (£'000) | | 2023/24 (£'000) | 2024/25 (£'000) | 2025/26 (£'000) | 2026/27 (£'000) | 2027/28 (£'000) | |
| a | Counter fraud work | 90 | 0 | 0 | | | 90 | -100 | -100 | -100 | -100 | -100 | -500 |
| | | 90 | 0 | 0 | 0 | 0 | 90 | -100 | -100 | -100 | -100 | -100 | -500 |

| Ref. | Title | Estimated Investment | | | | | Total (£'000) | Estimated Savings | | | | | Total (£'000) |
|--------------------|---|----------------------|-----------------|-----------------|-----------------|-----------------|---------------|-------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | | 2023/24 (£'000) | 2024/25 (£'000) | 2025/26 (£'000) | 2026/27 (£'000) | 2027/28 (£'000) | | 2023/24 (£'000) | 2024/25 (£'000) | 2025/26 (£'000) | 2026/27 (£'000) | 2027/28 (£'000) | |
| b | Corporate Support to all improvement programmes | 858 | | | | | 858 | | | | | | 0 |
| c | Think Haringey First | 1,000 | 800 | | | | 1,800 | -3,000 | -3,000 | -3,000 | -3,000 | -3,000 | -15,000 |
| d | Service Change Fund (Redundancies) | 1,000 | | | | | 1,000 | | | | | | 0 |
| e | Improvement to asset & energy management arrangements | 500 | 500 | 500 | | | 1,500 | | | | | | 0 |
| f | Accommodation Strategy | 300 | 300 | | | | 600 | | | (356) | (356) | (356) | -1,068 |
| g | Waste Service Strategy Review | 580 | 708 | | | | 1,288 | | | (1,300) | (1,300) | (1,300) | -3,900 |
| h | Additional Parking improvements | 200 | | | | | 200 | | | | | | 0 |
| i | Demand Management in Care Services | 750 | | | | | 750 | | | | | | 0 |
| | | 5,188 | 2,308 | 500 | 0 | 0 | 7,996 | -3,000 | -3,000 | -4,656 | -4,656 | -4,656 | -19,968 |
| Grand Total | | 5,278 | 2,308 | 500 | 0 | | 8,086 | -3,100 | -3,100 | -4,756 | -4,756 | -4,756 | -20,468 |