Directorate Narratives on 2023/24 Budget position and the key 2024/25 budget proposals

<u>Adult Social Care Outturn position for 2023/24 and Budget Position for 2024/25</u>

Adult Social Care continues to face significant pressures to meet the eligible care needs of vulnerable adults in Haringey. In 2022/23 the service reported an overspend of £11.5m and as of Q2 the forecast overspend is expected to increase to £14.1m. The cost of care placements is the biggest factor in last year's outturn and in the forecast for the year to date. As a whole the service supports some 3500 individuals every day.

The pressure on care cost is due to a number of factors, prices charged by providers, numbers receiving care and the complexity or conditions of individuals supported. Due to the cost of living crisis providers are expecting significant increases in fees charged for individual placements and in excess of the increased rates proposed by Haringey. This trend will continue for the foreseeable future as inflation levels continue at current levels. Demand for care continues to increase, the number of referrals is increasing and the numbers of young people transitioning to adulthood remains high. As a result of deconditioning through the period of the covid pandemic, the numbers of older people presenting to hospital with multiple health conditions is increasing, with those with an eligible support need requiring more complex support. In addition, those young people transitioning to adulthood often have complex conditions that the net cost of appropriate support, even with health funding, the cost remining with Adult Social Care is considerable and will remain a cost to the service for many years.

The estimated expenditure in 2024/25 is £126.28m, an increase of £8.28m on current year estimates. This factors in inflation of 4% and the cost of transitions of £3.6m. The cost of transitions is based on identifiable young people who will reach adulthood in 2024/25.

The existing MTFS already has £8.433m planned to be added to the Adult Social Care placement budgets. To bring the budget up into line with the forecast of £126.28m would require a further £16.247m.

Children's Services Outturn position for 2023/24 and Budget Position for 2024/25

Based on the Q2 forecast Children's Services is forecasting an overspend of £0.8m in 2023/24. Positive efforts have been made across the year to date to bring down the level of overspend and identify in year mitigation, but financial pressures remain. The main pressures are from the cost of placements and staffing costs. It is well documented that the provider market for children's social care placements is challenging. It has been become increasingly difficult to source placements which might be considered to deliver value for money based on needs, with most out of borough and London where needs become more complex.

There are insufficient Children's Social Workers nationally as a result recruitment to permanent posts is extremely difficult, still requiring the use of agency social workers, putting pressure in staffing budgets.

Haringey has had agreement from the DfE to join the safety valve recovery programme to deliver £50m of savings over the next five years. This ambitious programme is expected to deliver transformation of special education needs (SEN) and bring the HNB into balance by the end of 2027/28.

The number of unaccompanied asylum seeking children (UASC) continues to increase.

Due to these ongoing pressures arising from market conditions, numbers, complexity and new financial risks together with the current financial gap, it is proposed to increase the Children's Services budget by adding £1.388m to the current net budget.

Despite these pressures the service has maintained a strong track record in savings delivery and expects to deliver the in-year target of £1.63m.

The service achieved an OFSTED rating of Good and wants to maintain that rating with ambition to progress to Excellence.

There are a series of management actions over the course of the MTFS totalling c£663K savings that the department will focus on. These include work with housing services to identify properties to provide local accommodation for care leavers who are placed out of borough. This will both save costs and prevent escalation of needs as a result of having access to local staff and services. Other management actions include improving marketing and income generated by Pendarren to cover all costs and a review of SEND transport to provide an improved delivery model that can be flexible to respond to demand and increase capacity to support more learners with independent travel within a reduced budget.

Placemaking & Housing Outturn position for 2023/24 and Budget Position for 2024/25

The Directorate provides a range of services from delivering large parts of the capital programme, managing the Council's commercial property portfolio, delivering a Planning service, an award-winning Building Control service, Haringey Adult Learning, Haringey Works and area regeneration activity.

Much of the directorate's costs are funded from income (statutory fees in planning, commercial property income and from grants), capitalisation (which due to the review of the capital programme will be reduced substantially) and charges to the HRA for all expenditure which relates to HRA assets meaning there is a small overall net budget position.

Currently the directorate is reporting a pressure of £0.1m. This has a number of drivers such as on-going high energy costs, business rate increases, following the national revaluation in April 2023 and the non-delivery of a previously agreed saving. These pressures are offset by small underspends. Management action is being taken to mitigate the costs through curtailing some activities and the implementation of energy saving measures.

The directorate is proposing a number of management actions for 2024/25. These include a review of the Regeneration & Economic Development division to closely align the service offer to better meet priorities. Savings are further assumed to be generated from the implantation of the corporate property model, increases in Commercial Property income and reduced costs and increased income in Planning. These savings grow over the period of the MTFS. Taken together these actions will reduce the budget by c.£3m.

<u>Environment and Resident Services Outturn position for 2023/24 and Budget Position for 2024/25</u>

The directorate is forecasting an overspend of -£0.024m against its current year's revenue budget and is hoping to present a balanced position by the end of the current financial year. The overspend can be partly attributed to in-year reversals of traded services invoices to schools and a reassignment of NNDR to Leisure Services (which are one off) and additional Operational Facility Management personnel costs where the existing budget does not fully cover the cost of the service. These have been mitigated by one-off in year underspends within the Waste Management Service. The directorate has several budget pressures the most significant of which are the underachievement of the bulky waste and green garden waste income.

The directorate is proposing to undertake a range of management actions which will reduce expenditure and includes a service review, efficiencies derived from the CCTV control room upgrade and energy savings through carbon reduction plans.

The 2024/25 budget includes a review of the Highways & Parking Service to recover the operating costs of the parking service, benchmarking of Haringey's overall fees and charges to ensure that Haringey remains in line with other authorities, and revised deployment of resources to optimise the service.

The budget proposals include for growth of c£1m to meet the cost in the new leisure services provision and other minor changes. Also, the budget allows for the removal of a saving of £1.3m in the cost of waste services in 2025/26.

<u>Culture, Strategy & Engagement Outturn position for 2023/24 and Budget Position for 2024/25</u>

Culture, Strategy & Engagement was projecting an overspend of £0.5m at Qtr 2 with the main driver being Digital & Change which is experiencing pressures in its contracts budget as a result of sector-specific inflation as well as growth in the number of licences required on selected software products. The directorate is working to mitigate this overspend through holding staff vacancies, a reduction in agency use and a focus on income generation from marketing library spaces and additional advertising and should show a reduction by Qtr 3.

Looking to next year, Digital & Change, as the key enabling function supporting the Council's overall modernisation and service improvement, has requested revenue growth of £1.15m. This growth pressure arises from a number of factors:

- capital investment (already made or forecast to be made) and required upgrades in technology;
- unfunded new burdens arising from national changes e.g. The Big Switch Off; and
- the implications of corporate strategic decisions e.g., the expansion of HALO (the corporate service desk platform) and the move to Microsoft E5 with its advanced cyber security features.

However, Digital and Change has identified a number of management actions which should reduce the net budget required. These involve a restructure to modernise the Digital Service and reduce reliance on agency and undertaking reviews to rationalise the council's multiple IT systems, contracts and applications to provide strategic coherence, secure better value for the council and release contract and licence savings.

The other area of new savings is in Libraries which has 2 key proposals. The first proposal is to reduce hours at the six branch libraries with a mixture of mornings and afternoons opening times based on demand and demographics, in order to ensure libraries are accessible to all ages. The second proposal is to introduce self-service technology in libraries. This saving has been included from 25/26 as further work is required to establish feasibility, based on learning from other boroughs; it would require investment in digital and other technologies. No library building would be closed under either option.

Corporate Services (Legal & Governance and Finance) Outturn position for 2023/24 and Budget Position for 2024/25

The Corporate budgets (services) were projecting an overspend of £0.8m. The key base budget pressures are in (i) Legal Services (0.29m) due to recruitment challenges and the high cost of agency staff; (ii) Coroners Service (£0.16m) due to the continued high cost of pathologists, the increased cost of body removal and the creation of an Area Coroner post; and (iii) Finance (£0.31m) due to the continued need for agency staff to fill key posts within the Corporate Finance structure.

Growth proposals have been submitted to address the base budget pressures in Legal Services and the Coroners Service.

In Legal Services the establishment has reduced over time however, the demands have not reduced but rather have grown so that there are some areas of work where the demands exceed the capacity of the Council's inhouse lawyers. This has resulted in the creation of super-numerary posts covered by locum lawyers who are more expensive than retaining permanent in-house lawyers. A growth bid has been included to increase the establishment to address this.

Growth has also been provided for the Coroners budget to reflect the increased costs of running the Coroners Court. The cost of running the court is shared between the five boroughs of the North London jurisdiction on a per capita basis and this bid represents Haringey's share.

In Strategic Procurement management action to establish, through the London Construction Programme (LCP), a new suite of pan-London frameworks and dynamic marketplaces in the construction sector (replacing the current ones) is expected to generate additional income for the Council of £525k over a three-year period commencing 2026/27.