

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 detailed below. The list is made of both new and some previously agreed schemes, which are required to be reaffirmed as part of the Council’s budget setting process for financial year 2024/25.

3. **Proposals for the flexible use of capital receipts requiring agreement**

- a) 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.
- b) London Construction Partnership (LCP) Framework: This funding and associated investment relates to additional income generated through the London Construction Programme (LCP), which is hosted by Haringey Council and managed by Strategic Procurement team. The purpose of the LCP is to establish collaborative contract vehicles in the construction sector (e.g. frameworks, dynamic purchasing systems (DPS) etc.) across London and recently extended to include the Home Counties.
- c) Counter Fraud: This funding is employing resources to undertake investigations under the proceeds of crime act (POCA).
- d) Service Change Fund (Redundancies): This budget is to fund the costs of statutory redundancy payments.
- e) Improvement to asset & energy management arrangements and accommodation strategy: The Council is working towards massively reducing its carbon footprint through improvement to existing assets and reducing the number of buildings that it operates from.
- f) Transition to Adulthood: This funding is targeted to deliver saving within Children and Leaving Care services as the children transition to adulthood.
- g) Demand Management in Adult social Care: 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.
- h) Continuing Health Care (CHC): Increasing income from recharges to health for Council support to residents with health needs.

- i) Children's Services Pause Project: To divert infants from entering the care system'
- j) New Change Framework: This budget will support in the council's overall cost reduction strategy whilst maintaining excellent services for residents and communities.
- k) Temporary Accommodation Reduction Project: This budget will support initiatives leading to a reduction in the use of temporary accommodation (TA) by the Council.

CIPFA's 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. It is expected that the savings generated by the schemes will offset the costs arising from the additional borrowing. Therefore, there is no likely 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.

New proposals for the flexible use of capital receipts

Ref.	Title	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	Total (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	Total (£'000)
a	Corporate Support to all improvement programmes	763	671				1,434						0
b	London Construction Partnership Framework	310					310		-200	-200	-200	-200	-800
c	Counter fraud work	75					75	-100	-100	-100	-100	-100	-500
d	Service Change Fund (Redundancies)	2,000	2,000				4,000						0
e	Improvement to asset & energy management arrangements and Accommodation Strategy	800	800				1,600	(184)	(627)	(1,212)	(1,847)	(2,122)	-5,992
f	Transition to Adulthood	843					843	(673)	(1,825)	(2,602)	(3,326)	(4,546)	-12,972
g	Demand Management in Adult social Care	500	500				1,000						0
h	Continuing Health Care (CHC)	250					250	(1,200)	(2,400)	(3,600)	(4,800)	(6,000)	-18,000
i	Children's Services Pause Project	180					180	(501)	(501)	(501)	(501)	(501)	-2,505
j	New Change Framework	1,810	1,790				3,600						0
k	Temporary Accommodation Reduction Project	200	200				400						0
Grand Total		7,731	5,961	0	0	0	13,692	-2,658	-5,653	-8,215	-10,774	-13,469	-40,769

* The FUCR investment is required to make possible a number of savings initiatives reported in the service area savings narrative.