

OVERVIEW & SCRUTINY COMMITTEE

16TH DECEMBER 2009

REQUESTS AND ANSWERS

Leisure, Culture & Lifelong Learning	p2 – p7
Adults Social Care & Wellbeing	p8– p11
Housing	p12– p15
Environment & Conservation	p16– p22
Resources	p23– p44

LEISURE, CULTURE & LIFELONG LEARNING – COUNCILLOR KOBER

GENERAL QUESTIONS

Question 1	Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
Answer 1	There are significant fees and charges budgets in each of the business units within Adult, Culture & Community Services (ACCS). For the adults division these primarily relate to contributions from clients towards their care and these are not adversely affected by the current economic climate. Recreation has significant income streams that are being impacted by the current recession, for example sponsorship income and hire of leisure facilities. Currently the service is endeavouring to contain these pressures within the service as a whole and an overall breakeven position is being reported to members. Within Culture and Libraries income budgets are coming under pressure due to changes in the market, for example, the DVD and CD hire area is changing due to the ability for people to download this media and the sales market being very competitive. However, currently these pressures are being contained within the overall budgets.

Question 2	Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
Answer 2	Within ACCS the major grant change that is coming through in 2010/11 is a reduction of approximately £1 million from the supporting people grant. The supporting people board has agreed a programme of re tendering of services and decommissioning where providers are no longer providing value for money or providing services that provide a strategic fit with the supporting people programme. The supporting people board also ensures an ongoing programme of robust management oversights of ongoing spend and a continuing quality review programme in line with this. This programme identifies where we may wish to take early action on services that may be achieving reduced effectiveness. This brings those services into the VfM arena which is used to monitor how the grant is spent.

Question 3	Are services challenging suppliers in these recessionary times on price? Have any price reductions been secured?
Answer 3	Within adult services the starting point for any contract negotiations with care providers has been 0% increase. In addition the service is examining the costs being charged by providers for high charge services with a view to bringing about a reduction in the charges to the service (see question 70 for further details). Across other services innovative ways to procure are undertaken, in partnership with Corporate Procurement and other partners in order to ensure best value is achieved for the Council.

PORTFOLIO SPECIFIC REQUESTS

Pre Agreed Revenue Efficiency savings

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
60	56	Review of staffing in parks ground maintenance	100k	More detail of proposal requested, including posts that will be affected and the impact on the Council's parks.
<p>The saving will accrue from a 8-10% improvement in staff productivity. This will be achieved by:</p> <ul style="list-style-type: none"> ▪ More local deployment of staff and less downtime. ▪ A review and amendment of maintenance regimes and schedules. ▪ Upgrading of equipment and machinery. ▪ Consolidation and reduction in use of seasonal agency staff, and development of apprenticeship programme. ▪ More effective procurement of supplies and services. ▪ Staff incentivisation scheme(s) <p>These proposals will affect 99 FTE staff, but the actual saving will largely come from reduced agency costs/ spend, and will have minimal impact upon current standards of provision in Parks</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
61	56	Parks sponsorship	50k	More detail on proposal requested and whether it needs revision due to economic downturn?
The Service will subsequently have an external sponsorship income target of £75k for 2010 /11 onwards. The current economic climate is proving to be particularly challenging, with an income to date of £4k and 3 sites sponsored. We have escalated action with our agent Immediate Solutions, and are currently targeting 22 sites, across the Borough.				

Pre Agreed Revenue Efficiency Savings

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
62	56	Community Programmes staff restructure	40k	What impact will this have on vulnerable groups?
This postholder works within the Older Peoples service at drop in sessions at 5 libraries. However this can be managed by the activity being absorbed in to the tasks of librarians. This is following the modernisation of business processes aided by new technology.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
63	56	Reconfiguration of Muswell Hill Library	100k	Has a date been given for the redevelopment to start and does it depend on the Capital budget bid?
The redevelopment of the library relates to the capital bid (see question 68), which is fully dependant on the achievement of a capital receipt before the work can be planned. The £100k specified within the question relates to the reconfiguration of the services in 3 libraries associated with the introduction of RFID technology, and therefore one third relates to Muswell Hill. RFID technology minimises the transactions that take place which require staff intervention therefore allowing staff savings to be made.				

New Revenue Investment Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
64	57	Sports and Leisure investment programme	76k	Has there been any match funding on this item?
<p>This is one off revenue growth for 2010/11 only, to offset reduced income. This is linked to an 8 week part closure of Park Road Leisure Centre whilst planned refurbishment of the pool hall/ tanks/ plant are undertaken in either the summer or winter of 2010/11.</p>				

New Revenue Efficiency savings Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
65	58	Review staffing structure post transfer of building repairs and maintenance	25k	More detail of this proposal requested
<p>The buildings maintenance responsibility and budget has been transferred to our Corporate Property Services, in line with the Council's policy decision to centralise property maintenance /management, with effect from 1.10.2009. Specialist plant and related maintenance will remain with Sports and Leisure. Thus the Service is currently reviewing its operational structure and related roles/ responsibilities, and in particular proposing a 1 FTE post reduction in the Technical function at Tottenham Green. This will be achieved through internal reorganisation /vacancy deletion, and will not involve redundancy.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
66	58	Deletion of museum attendant post	30k	Is this at Bruce Castle? Will there be any impact on service.
<p>This post is at Bruce Castle but there will be no impact on the service as staff resources are to be better utilised to bring about efficiencies.</p>				

Capital Budget bids

Investments

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
67	71 item19	Allotments infrastructure programme	150k	More detail on this bid requested. How will this be allocated and how much will be spent on the allotment site?
<p>The service has worked closely with the Borough's Allotments Forum to complete a condition assessment of all 27 sites over the last 2 years. This is currently being update in conjunction with Site Secretaries, through our planned inspection programme. This will inform priorities and work packages, that will be presented to and discussed with the Allotments Forum. Whilst there will be some project management costs, 95% of the budget will be spent on works.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
68	71 item21	Muswell Hill library	500k	When will disabled access be provided and when will works be completed?
<p>The works at Muswell Hill are entirely dependant on the realisation of a capital receipt and are not scheduled to be started until this is received. As yet no date has been agreed for the provision of disabled access.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
68A	72 Item 2	Burial Provision	1.422	What is the business case for this? How will borrowing be repaid?
<p>The two main issues underpinning this project are:</p> <ul style="list-style-type: none"> ○ The Service budget / cash limit is based upon a £520k Income from burials, whilst costs are largely fixed. ○ To maintain a burial option for residents, although this is not a mandatory/ statutory requirement. <p>The Service is seeking to develop a viable solution based upon 100% capital investment through Prudential Borrowing. The key ingredients currently being examined are cost of construction, population projections and price. Our current modelling, based upon existing volumes and scheme cost estimate, suggest the need for a 20-60% price increase over 3 years, and an increase in the differential for non Haringey residents</p>				

(currently 25%).

The key feasibility issues to be resolved by March 2010 are:

- Actual cost of construction
- Demographics review
- Price sensitivity /comparison

ADULTS SOCIAL CARE & WELLBEING – COUNCILLOR DOGUS

GENERAL QUESTIONS

Question 1	Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
Answer 1	Please see joint Adult, Culture and Community Services response on Page 1

Question 2	Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
Answer 2	Please see joint Adult, Culture and Community Services response on Page 1

Question 3	Are services challenging suppliers in these recessionary times on price? Have any price reductions been secured?
Answer 3	Please see joint Adult, Culture and Community Services response on Page 1

PORTFOLIO SPECIFIC REQUESTS

Pre Agreed Revenue Efficiency Savings

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
69	27	Reduce OPS residential Care...	150k	How will the extra home care be covered and paid for

The re-provisioning costs of approx 12 hours of home care per week was taken into account when the efficiencies were proposed. The original proposal assumed the total numbers of frail older people reducing over 4 years by 120 (from 230 to 110) while dementia need rose by 40 (200 to 240).

Client movements to November 2009 are as follows:

	2006/07	2009/10 Target	2009/10 Actual (Nov 09)	Variance
OP Residential	230	125	180-14=166*	41
OP Dementia	200	235	163+14=177*	-58
Nursing (All)	125	125	118	-7
Total	555	485	441	-24

(* 14 dementia clients were incorrectly coded to residential care)

The table above suggests that the service has performed well against targets. Although the number of clients in residential placements is still higher than the expected target, the service has managed dementia need and the numbers for this client group are well below target.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
70	27	Commissioning Savings from new Strategic Commissioning...	150k	More information required on the impact on care packages

The council has contracted with OLM to review the costs of the 50 highest costing placements in Learning Disabilities (LD) and Physical Disabilities (PD). The aim of the exercise was to look at the cost drivers in external provision and determine whether savings could be achieved through renegotiating rates for clients. The full year effect of savings achieved with this contract for Adult Services is £197k (09/10 part year was £177k) and the exercise has finalised with 25 external provider to date. It is intended that this exercise will continue beyond the initial 50 clients.

Care packages have not been reduced as a result of any cost reduction following renegotiation with providers. Reductions to care packages will only materialise where the clients needs are assessed to have reduced following the annual review of clients needs and if their care needs decrease after a period of rehabilitation or the provision of aids or adaptations.

Adults services is currently working to implementing a pricing tool to look at the cost drivers for all the organisations we contract with for the delivery of care packages. The pricing tool aims to achieve value for money in the commissioning of services through comparing internal costs of external providers with benchmark costs.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
71	27	Home Care	167k	Is this achievable? How can savings be made when there is current year overspend in ACC?
<p>The proposal looked to provide additional flexibility in relation to staffing by reducing the number of home care workers on fixed (usually 36 hour contracts) and increase the numbers of zero hour contracts using a carer bank. The associated saving are derived from the difference in the cost of a permanent officer (with entitlement to enhancements and pension contributions) and staff on a carer bank who are employed on a sessional basis and only paid for hours worked. All carer bank staff received appropriate training and the savings were achieved without impact to clients.</p>				

New Revenue Investment Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
72	28	LD Transition Growth	614k	More information required on number of clients and make up of figures
<p>The investment bid is to fund the projected costs of 25 known clients in transit from Children's Services. The proposed investment has risks associated with assumptions for Health funding following continuing care assessments, although some uncertainty has been built into the bid. The bid is made up of 23 clients whose preliminary needs are projected to be social care, and 2 clients that are deemed to have health needs. There is uncertainty in successfully achieving continuing care status and the investment bid for these clients have been reduced by 30% from £234k to £164k to account for the uncertainty. It should be noted that the investment bid is for the part year costs in 10/11 and the full year costs for the same cohort of clients in 10/11 is projected to be £1,531k</p> <p>An analysis of the 25 clients suggests 9 clients will require residential care, 12 clients will require day services (most with some respite) and 3 clients will require independent living arrangements.</p>				

New Revenue Savings Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
73	29	No recourse to public funds	100k	More detail required; had there been a cut to the service provided?
<p>The proposal recognises that the savings are being achieved through the effective management of this client group and the effective partnership working with the Home Office to resolve the residency issues of clients. In 2008 Members agreed a report to tighten the processes in relation to clients with no recourse to public funds. The arrangements put in place included movements to more cost effective accommodation, monitoring of client movements and fortnightly collections of subsistence payments. Following on from the approval by Members this has impacted favourably on the reduction in the numbers of clients and associate costs.</p> <p>The number of clients currently supported has declined dramatically from 85 in April 2009 to 57 in November. The numbers of clients presenting to the authority have slowed due the improved gate keeping, tighter assessment process and effective sigh posting. The Slough ruling 2008 is more favourable to the local authority and To qualify for support under Section 21(1)(a)NAA1948 the claimant must now demonstrate that their need for 'care and attention' is because they need 'looking after'</p> <p>Although the rate of decrease is expected to slow down over the next year further reductions are projected. The savings of £100k assumes 8-10 reductions in the number of NRPF clients over next year.</p>				

HOUSING PORTFOLIO – COUNCILLOR BEVAN

GENERAL QUESTIONS

Question 1	Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
Answer 1	Please see Urban Environment response on P.16 Housing has not suffered the same recessionary impact.

Question 2	Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
Answer 2	Please see Urban Environment response on P.16 ABG is the biggest client and Housing receives money here.

Question 3	Are services challenging suppliers in these recessionary times on price? Have any price reductions been secured?
Answer 3	Please see Urban Environment response on P.16 <u>Homes for Haringey</u> Payments are inclusive of the HfH Management fee plus the costs of the Decent Homes Programme that are subsequently paid over to the four construction partners. Each scheme within the Decent Homes programme is tested for Best Value against prevailing markets and reported to Cabinet Procurement Committee for approval.

PORTFOLIO SPECIFIC REQUESTS

Pre Agreed Revenue Investments

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
74	48	Reducing temporary staff	180k	The committee requests more detail on how this will be achieved. It appears that the service may be retaining temporary staff while deleting permanent posts; what is the explanation for this?

Permanent posts have not been deleted. There has been a restructure and temporary staff were employed on an interim basis until the new structure was verified. Temporary staff have continued to be employed in addition to permanent staff as a part of the Temporary Accommodation reduction projects. The service will be inspected in May 2010 and is now preparing for this.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
75	48	Savings from additional staff to assist the service achieve 2* STAR rating	221k	The committee requests more detail on this item. Why are the savings not being achieved in 2010/11 and why are they not now achievable until 2012/13?

Savings will be achieved but the Service needs to ensure that cuts are not made too quickly that will jeopardise all the work done to reduce the number of Homeless families in Temporary Accommodation. Failure to reduce numbers in Temporary Accommodation will result in significantly increased costs for the Council.

New Revenue Investment Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
76	49	Private Sector Leasing Renewals	694k	More detail requested on this proposal

This project is to allow the service to catch up with the backlog of renewals required for Private Sector Leasing contracts that have expired.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
77	49	Rent deposit Scheme	769	The committee wishes to have more detail on this proposal and to challenge the figure. Will grant funding fill the gap? Has the benefit take-up campaign had any impact?

The rent deposit scheme is to offer landlords incentives to take on homeless families into the private rented sector in order to reduce the number of homeless families in temporary accommodation.

Benefit take ups does not impact on this project. Grant funding has been available in the form of Homelessness grants from the DCLG but is limited and insufficient to meet the cost of this project

New Revenue Efficiency Savings Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
78	50	Staff Savings in Housing Needs, Lettings and Finance	100k	The committee requests greater detail in the explanation for deleting these 3 posts and the likely impact on services.
Staff savings will be possible as the number of households in temporary accommodation falls. Fewer staff management resources will be required.				

Homes for Haringey

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
79	General	Why is there no growth bid in respect of the known fire precaution measures required in blocks of flats?	79	General
The council has already agreed to release £2m from the HRA working balance over the 2009/11 period in order to fund fire safety works in the stock. In the 2008/09 budget setting a growth item of £250k was agreed and built in to the base budget. As assessments progress the budget requirement will be reviewed.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
80	General	Will there be a shortfall in rent subsidy and if so, how will it be addressed?	80	General
<p>At present rents and subsidy are not significantly different so if the guideline rent increase is followed there would be no material shortfall. If however, rent increases were not made in line with the guidance a shortfall would develop, this would need to be modelled dependant on the proposed rent change. Estimates are that every 1% different generates a shortfall of around £670k.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
81	General	What is the predicted level of housing rent increase for tenants next year?	81	General
<p>Although the government has not yet issued a determination in respect of rents and subsidies for 2010/11, the pre-budget report does contain a reference to an increase in the guideline rent of 3.1%. When the determination is received this will be modelled and built in to the medium term financial strategy.</p>				

ENVIRONMENT & CONSERVATION PORTFOLIO – COUNCILLOR HALEY

GENERAL QUESTIONS

Question 1	Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
Answer 1	<p>We continue to monitor the impact of the recession on Council budgets and income levels and services have identified compensatory savings where appropriate. However, as the impact into 2010-11 remains uncertain it is not appropriate to make specific alterations to the base budget at this time, that may need to be revised or taken out completely depending on the prevailing economic climate next year.</p> <p>Specifically within the Environment portfolio there are pressures due to lower than expected income levels in Trade Waste, and although Income levels are expected to improve next year, offsetting efficiencies have been identified to mitigate shortfalls and reduce the call on Corporate Resources as necessary.</p>

Question 2	Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
Answer 2	As we are only just receiving confirmation of grant levels, and some grants (particularly ABG) are split over a myriad of different projects, it is an ongoing task to review existing grants and Managers have been asked to outline the consequences of reductions in grant funding.

Question 3	Are services challenging suppliers in these recessionary times on price? Have any price reductions been secured?
Answer 3	<p>The competitive tendering process is the principle method used by officers in order to challenge suppliers and to achieve best value from our supply chains. As a result of applying this process on an ongoing basis and during the recessionary period of 2008/9 we measured a 40% supplier turn-over in our database of 8,000 active suppliers.</p> <p>Where price reductions associated with Revenue Budgets have been achieved, these are reported against each directorates' savings targets through the budget monitoring process.</p> <p>The biggest single contract within the Environment portfolio is with Haringey Enterprise Ltd to provide Waste Management Services. This contract has a mechanism for reviewing the annual sums paid</p>

	which is linked to the retail price index (RPI). The link to RPI ensures that annual payments for services rendered reflect what is happening in the wider economy. As such the low inflation levels currently being experienced during the recession will be reflected in the next review of the annual sum paid to Haringey Enterprise Ltd that is due in early 2010.
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PORTFOLIO SPECIFIC REQUESTS

Pre Agreed Revenue Investments

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
82	43	Olympic Fund	60k	What was the original investment; what amount is now being spent and on what?
The Council originally allocated £60k per annum for two years 09-10 and 10-11. An action plan and commissioning strategy has now been agreed and will be launched in Dec/Jan and focuses on funding project for elite athletes; Olympics publicity and celebration in the community and community projects involving volunteering and sports development.				

Pre Agreed Revenue Efficiency Savings

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
83	44	Integrated waste management and transport contract	1,165k	More background information requested. Is this significant saving still on target to be achieved as planned in 2011/12?
It is envisaged that these savings will be achieved through the introduction of a new integrated waste and recycling service from April 2011. As part of the procurement process these savings have been incorporated in the affordability envelope, which has been relayed to the bidders.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
84	44	Increase CPZs	80k	More detail on these items requested and why it is necessary to increase parking fees in the recessionary financial climate?
The income is attributable to new permits issued due to the implementation of the CPZ programme.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
85	44	Increase to parking fees	68k	More detail on these items requested and why it is necessary to increase parking fees in the recessionary financial climate?
The increased income is expected to be achieved through the installation of more pay and display machines.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
86	44	Increase in parking permit charges	23k	More detail on these items requested and why it is necessary to increase parking fees in the recessionary financial climate?
The increased income is expected to be achieved through the installation of more pay and display machines.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
87	44	Review of parking staffing levels	240k	Will there be any impact on income as a result on this proposed saving?
The restructure increases capacity in certain service areas that will improve performance and recovery levels. The net saving from that restructure is £240k.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
88	44	Additional income from parking plan	150k	More detail on these items requested and why it is necessary to increase parking fees in the recessionary financial climate?
The income of £150k is to be achieved through better enforcement following past investment in sign and lines.				

New Revenue Efficiency Savings Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
89	45	Review staffing levels at car park	80k	More detail requested. How will the deletion of a cleaner post generate saving identified?
The saving will be achieved by deleting the post of cleaner and savings on security costs.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
90	45	Savings from sustainable transport	40k	More detail on how this is to be achieved is requested. What services are threatened?
The saving will be generated from cut backs on communication and IT budgets which are above the line.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
91	45	Reductions to director budget for HR and Legal advice	25k	What impact will legal and HR advice saving have on the costs to other departments and as HR costs are below the line, how is this a saving to the Council?
Expenditure in previous years suggests this saving can be made without any impact on other services budgets. Legal costs have related to external advice and thus there will be no impact internally.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
92	45	Reduction in budget for publicity and projects in the Better Haringey team	57k	What other campaigns will be affected by the reduction and what funding will remain?
<p>The Better Haringey communications budget reduction will not impact on the ability to deliver key projects but will mean the size will be reduced.</p> <p>Over the last year we have strengthened ties with partners and contractors and were able to access £8,000 in sponsorship to support the running of the Green Fair. We will look to build on this and increase the external contributions from a wider group. This will require less of an overall financial contribution from the Council.</p> <p>The marketing and promotion campaign, aimed at raising awareness and involvement will be scaled down and will therefore be more focused and targeted on key themes.</p> <p>The budget reduction will not impact on the teams' role to provide support to the organisation and partners in delivering the Greenest Borough Strategy.</p>				

Capital Budget bids

Investments

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
93	70 item 8	Planned road and pavement resurfacing	1,800k	In what areas of the borough will this take place?
<p>The locations to be recommended for treatment during 2010/11 financial will be included in the Highways Works Plan for 2010/11 that will be authorised by the Cabinet in March 2010.</p> <p>Locations recommended will depend on results of annual condition surveys conducted by specialist Consultants. The surveys are now in progress and results are due by January 2010.</p> <p>The amounts included in the bid is linked to financial models prepared by consultants for the Council in relation to the level of investment needed to keep the road condition within the medium to top quartile position in England.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
94	70 item 9	Street lighting programme	1,000k	In what areas of the borough will this take place?
<p>Stroud Green ward</p> <p>Alexandra Ward, off Alexandra Park Road</p> <p>Tottenham Hale Ward</p> <p>Fortis Green/Muswell Hill joint boundary</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
95	70 item11	Improvement to Summerland Gardens car park	70k	What improvement is proposed and is Marks and Spencer making any contribution to the cost?
Marks and Spencer have put their expansion plans on hold. We are however meeting with Children Youth and Play to seek partnership funding as they are seeking to develop the Children's Centre at the bottom of Sutherland Gardens.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
96 (moved from 32)	78 item 2	Town Centres	100k	More information requested
The £100k relates to the expected funding from Transport for London (TfL) under the Local Implementation Plan (LIP) funding mechanism at the time the scrutiny report was prepared. Initial funding information from TfL for 2010-11 has now been received, although more detail on precise allocations is being sought. Wood Green High Road and Green Lanes have been identified as our priority corridor for LIP investment and we are at a very preliminary stage of what a scheme may consist of.				

RESOURCES PORTFOLIO – COUNCILLOR HARRIS

GENERAL QUESTIONS

Question 1	Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
Answer 1	The commercial portfolio has a significant income target (£4.3m) which has been under pressure all year largely due to the impact of the recession. Although this looks to be stabilising, the impact has been compounded by a drift in the potential rent roll, over a number years due to the impact of acquisitions, disposals and rent reviews. To address the on-going impact of the budget drift, an investment bid has been put forward (please see Q 20).
Question 2	Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
Answer 2	Corporate Resources receives little specific grant. The most significant grant is the general benefits administration grant provided to Benefits & Local Taxation. This has seen phased reductions over the past few years which have been built into the Council's business planning process. Current assumptions are based on a standstill grant for 2010/11.
Question 3	Are services challenging suppliers in these recessionary times on price? Have any price reductions been secured?
Answer 3	<p>The competitive tendering process is the principle method used by officers in order to challenge suppliers and to achieve best value from our supply chains. As a result of applying this process on an ongoing basis and during the recessionary period of 2008/9 we measured a 40% supplier turn-over in our database of 8,000 active suppliers.</p> <p>Where price reductions associated with Revenue Budgets have been achieved, these are reported against each directorate's savings targets through the budget monitoring process.</p>

PORTFOLIO SPECIFIC REQUESTS

General

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
10	22	Gross Budget Trail	N/A	A reconciliation between the pre-agreed savings listed in Appendix A of the November Cabinet Financial Planning Report and those listed in the Overview and Scrutiny report Appendix 1 is required.

Reconciliation of Pre-agreed Savings Overview & Scrutiny Appendix 1 and Appendix 2

Pre-agreed Savings			
2010-11	2011-12	2012-13	Total
£'000	£'000	£'000	£'000

Overview & Scrutiny Appendix 1 Total

Less:

Savings to be identified (as reported to July '09 Cabinet)

Adjusted PPP&C pre-agreed saving resubmitted as 'new' and brought forward

Add:

Proposed changes / re-profiling in this process

2010-11	2011-12	2012-13	Total
£'000	£'000	£'000	£'000
7,783	7,130		14,913
2,000	3,722		5,722
	50		50
(474)	71	433	30
5,309	3,429	433	9,171

Overview & Scrutiny Appendix 2 Total

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
11	22	Gross Budget Trail	N/A	An explanation on the proposed use of balances/reserves to fund the three year proposed Council budget is requested.
<p>The current planned use of reserves to fund the three year revenue budget is set out in the Gross Budget Trail. It is Council policy to use general fund balances to smooth issues between years in order to achieve a consistent budget position and to protect against unexpected or one-off events between years. The amounts currently approved</p>				

are:

- **a contribution of £2.645m from balances in 2010/11** agreed in the 2007/08 budget process – this is the final item spread over three financial years, the first of which was a contribution from reserves in 2008/09 of £2.865m and the second item was a contribution to reserves of £5.725m in 2009/10;
- **a contribution of £0.696m to balances in 2010/11** agreed in the 2008/09 budget process – this is the final item spread over three financial years, the first of which was a contribution from reserves in 2008/09 of £0.942m and the second item was a contribution to reserves of £0.246m in 2009/10;
- **a contribution of £2.0m to balances in 2010/11** agreed in the 2009/10 budget process – this is balancing the £2.0m taken from reserves in 2009/10.

All reserves are reviewed as part of the budget process. There are other earmarked reserves that are for specific issues such as the insurance reserve for self-insured risk and are only highlighted if there are significant changes in demand or funding. Other reserves are used to spread the funding for agreed costs over a number of years, for example the cost of the Haringey Forward programme agreed £2m in 2008 but spread of three years. A number of earmarked reserves are used to set aside capital funding for one-off investment and these items are approved by Members during the process.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
12	23	Resource Shortfall Tracker	N/A	What assumptions are being made on future formula grant settlements for the Council and how do our assumptions compare with other Local Authorities?

The assumptions on future formula grant settlements from 2011/12 onwards is based on a view of public spending arising from the Chancellor's budget in April 2009. The grant increase for 2010/11, the final year of the last three year settlement, is 1.5%. A prudent view has been taken that from 2011/12 onwards the grant floor will be a 1% reduction, therefore a 2.5% difference from previous assumptions. This equates to approximately £3.6m difference each year. Over three years to 2013/14 this would equate to a 7.5% reduction in grant, which is consistent with the view of CIPFA and SOLACE who are independently reporting on the possible implications of this. This is considered to be a reasonable assumption, however, it is possible that it could be worse.

The Chancellor's pre-budget report in December will provide an update to predictions and may also give more information on the impact on different parts of the public sector.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
13	24	General	N/A	What bids have been received for funding from the recession contingency and have any awards been made?
<p>There have been no specific bids for funding against the contingency however, a number of directorates have highlighted some pressures as a result of the recession. The main ones are as follows:</p> <ul style="list-style-type: none"> • Leisure income room hire / concerts at Finsbury Park • Planning applications income (some costs reduced) • B&LT increased volume of benefits applications / changes (DWP additional grant income) • Commercial property income <p>In the main, these have been contained in year by compensating savings elsewhere. Where this hasn't been deemed sustainable, investment bids have been submitted as part of the PBPR process. Only one has been received for growth to realign commercial income budgets (Q20). As at the period 7 finance and performance monitoring report, £1m of contingency is assumed to be used to offset the current forecast general fund over spend including recessionary issues.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
14	24	General	N/A	The Head of Corporate Procurement is requested to give a briefing on the work done with the Council's top 5 suppliers (in terms of annual payments made) in securing price reductions. The briefing to include a general update on recessionary price negotiations.
<p>A. Listed below are the top 5 suppliers in terms of payments made during 2008/9.</p>				

Name	Spend 08/09 £
HOMES FOR HARINGEY LIMITED	60.1m
HAYS SPECIALIST RECRUITMENT	25.7m
APOLLO PROPERTY SERVICES GROUP	16.2m
HARINGEY ENTERPRISE LIMITED	16 m
	11.3m
MULALLEY AND CO LIMITED	

Homes for Haringey

Payments are inclusive of the HfH Management fee plus the costs of the Decent Homes Programme that are subsequently paid over to the four construction partners. Each scheme within the Decent Homes programme is tested for Best Value against prevailing markets and reported to Cabinet Procurement Committee for approval. The management fee inflation will be in line with actual cost rises as agreed with the Council.

Hays Specialist Recruitment

Payments are inclusive of approx £350k Hays' fees plus all payroll costs paid via Hays to approx 180 temporary staff agencies. The contract fees are based on Hays outperforming market averages for supplier profit margins. If Hays fail to beat these contractual benchmarks, then they will not receive any payments for their services. This incentivises Hays and ensures Best Value for the Council.

Apollo Property Services Group and Mulalley & Co Ltd

Apollo and Mulalley are included on the Council frameworks for major works contractors and the Decent Homes programme.

Apollo is also on the Building Schools for the Future (BSF) framework.

Each major construction project is competitively tendered to all the contractors who are suitable (considering financial, Health & Safety etc) on the relevant frameworks.

This ongoing competitive process ensures that prevailing market rates for labour and materials are reflected in winning tenders.

Haringey Enterprise Limited

The contract with Haringey Enterprise Ltd to provide Waste Management Services has a mechanism for reviewing the annual sums paid which is linked to the retail price index (RPI). The link to RPI ensures that annual payments for services rendered reflect what is happening in the wider economy. As such the low inflation levels currently being experienced during the recession are reflected in the annual review of the contract sum paid to Haringey Enterprise Ltd that is due in early 2010.

In general terms and in regard to some of our larger areas of spend

Construction - each project is competitively tendered and therefore the Council benefits from any prevailing recessionary cost reductions. There have been general cost reductions across all aspects of construction and which were most predominant during the recent Heartlands High School re-tendering exercise.

The Building Cost Information Service (BCIS) regularly publish tender price indices and the current price of new construction work is on average 11.7% lower than this time last year with a further 3.3% reduction predicted over the next year, before starting to recover in 2011.

The main driver for declining tender prices has been increased competition for fewer jobs.

Haringey Council is generally witnessing similar price reductions across the capital programme and we are noticing that larger firms that previously only tendered for large value projects are now submitting bids for project values as low as £25k.

Care - this market is less affected by the recession with costs remaining relatively stable and buoyed by demand for quality services; however price reductions have been achieved within Learning Disability Services. Supporting People have re-tendered Mental Health Services and are expecting full year savings of £500k in 2010/11.

IT & Telecoms -

A large proportion of the IT Services spend is tied into long term contracts which are linked to RPI. A further proportion is with major international companies, such as Microsoft and HP where the buying power of the Council is limited but improved through public sector consortia contracts (Buying Solutions, ESPO etc).

IT Services has successfully challenged a number of suppliers who have looked to increase their charges over the previous year, either on an inflationary basis or for compulsory additional services. In excess of £20,000 has been successfully challenged in this way. Contracts are reviewed annually to ensure that the correct services are being applied and paid for.

The market for IT Applications in the Public Sector has consolidated rapidly over the last 5 years leaving 3 key players which has reduced the competitiveness of the market. However, new contracts are tendered to the Council's Contract Standing Orders as required.

The recession has put added pressure on suppliers and their balance sheets and all major suppliers are credit checked quarterly to review their financial position.

Energy - the Council has achieved a cost reduction of 40% on energy prices compared to the previous year. This has been possible by adopting a flexible aggregated purchasing strategy that involves monitoring markets daily and buying in advance on the wholesale market when prices are most favourable (rather than buying once per year). This approach has reaped the benefits of falling oil prices in the current world recession and (depending on actual consumption) is predicted to save in excess of £3m over the period Oct 09 – Sept 10.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
15		Resources	N/A	The Assistant Chief Executive (POD) be requested to provide details of vacancy levels and associated agency staff (including consultants) across the Council. How many consultants are employed by the Council that are not covering vacancies?
Response to be provided prior to the meeting.				

Pre-Agreed Revenue Efficiency Savings

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
16	61	Reconfiguration of cashier and payment services to customers	95	More information on the progress of the project is required.
<p>In 2009/10 Corporate Finance has a pre-agreed saving of £125k in place, it is currently proposed that £95k of this saving be deferred until 2010/11.</p> <p>The agreed saving will ultimately be achieved by the re-provision of the service currently provided from the office at 247 High Road. In order to achieve the required saving, the council will need to provide its customers alternative methods of payment for the transactions processed through the office, which in part requires the successful implementation of certain key IT system modifications (see below).</p> <p>The proposed savings need to be deferred mainly due to the Council's appointed IT partner being unable to achieve agreed completion dates for system upgrades. Their performance is due to be reviewed and discussed at an escalation meeting to be held in the week commencing 30th November.</p> <p>The re-provisioning of payments from 247 High Road has a project team in place which has reviewed all transactions processed through the office. To provide effective alternative options for payment of council bills, the following IT projects need to be successfully delivered:</p>				

1. 'E-payments' - is currently projected to go live in March 2010. This project is vital to the success of the reconfiguration of the HPS project as it will improve online payment capability and will enable the payment of Parking Penalty Charge Notices (PCN's) to be paid online for the first time.
2. Upgrade of the CIVICA Parking system, where a timetable for implementation of the upgrade has yet to be agreed. This upgrade will provide the council with the ability to provide paperless permits.

Promotion of cash payments through existing channels will also be an important part of the project i.e. maximising the use of payment cards, which can be used in many local retail outlets and post offices across the borough.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
17	61	Review of Commercial Portfolio and implementation of Manhattan	30	More details on the progress of the project is required.

Background – the total budgeted efficiency savings for this project was £200K to be achieved through two key actions; a) improved debt management through the use of better information and reporting available in Manhattan and b) implementing income improvement actions in relation to poor performing assets to be identified from the Commercial Portfolio review.

Progress – to date £100K savings have been achieved mainly through improved debt management. The review of the Commercial Portfolio was completed and reported to Cabinet in January 2009. In summary the review concluded that the financial performance of the portfolio as a whole is above industry standard and that 93% of the assets meet the Council's strategic objectives. In respect of management, the review concluded that there is scope for some improvement and that the portfolio will benefit from capital investment. In summary the review did not identify any immediate savings but did have a number of recommendations which would improve the performance of the portfolio in the medium term. These will be considered over the next year and the remaining savings target has been reassessed.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
18	61	Commercial Income from property	33	More information required
<p>This saving was based on the target of above inflation growth being achieved on rent reviews within the Industrial & Commercial portfolios. However, due to the downturn in the market, the level of additional income is not as high as projected. The projected additional income of £33k & £32k over the next 2 years has been put back one year in anticipation of an improved market.</p>				

New Revenue Investment Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
19	63	NNDR Additional budget requirement	240	More information required
<p>This requirement is based on three cost pressures on the corporate premises budget arising from National Non Domestic Rate (NNDR);</p> <ul style="list-style-type: none"> • Above inflation increases in NNDR in the past 2 years £67K. • Rating revaluations from April 2010 resulting in a further increase of £36K. • GLA levy of 2% for the Cross Rail development resulting in a further growth of £137K. <p>Notes</p> <ul style="list-style-type: none"> • NNDR in respect of council occupied buildings has risen above inflation for the past two years resulting in a shortfall in the corporate premises budgets. • 2010 Rating Revaluation - advice from the Department of Communities & Local Government states that “overall the revaluation does not raise extra revenue”, however the 2010 list benefits certain geographical regions and types of property resulting in adverse impact on other regions and premises types. The most significant geographical increase is in London where average RV’s will increase by 10%. The most significant property type increase is in office accommodation at 19%. These increases will be partially offset by the reduction of the standard from the current 0.485p to between 0.41p & 0.42p. Billing will be also be affected by transitional relief, the current expected level of relief has been taken into account in the projection of a 4% overall increase. • Cross Rail Levy - GLA has declared an intention to levy of a supplement 2p per £RV on all properties with an RV greater than £50,000. The overall impact on the office and operational service buildings affected is £137k. 				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
20	63	Realigning the rental income debit with the budget	298	More information required

The Commercial Portfolio has a current budgeted income of £4,237k. This budget was historically based on a target 90% occupancy rate for the whole portfolio, revised each year for inflation and above inflation rental growth targets.

A detailed reassessment of the of the overall portfolio has revealed that past budgeting has not fully accounted for all movements affecting the portfolio in respect of acquisitions, disposals and outcomes from rent reviews. The net effect of this has been a gradual drift downwards in the potential rent roll of the Industrial and commercial portfolio. In previous years the effect of this drift against budget has been offset by the levels of backdated rent reviews in favour of the council.

Based on the reassessed rent roll of the overall portfolio it is apparent that the budget would now only be achieved with an occupancy level of 97.5%, a target which would be unachievable in any but the highest performing portfolios. This bid is to reduce the income expectation of the portfolio in line with the more realistic 90% occupancy target.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
21	69	Alexandra Park & Palace	150	What is the 'general master-plan' for Alexandra Park and Palace?

See Answer to Q.24

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
22	69	Alexandra Park & Trust Core Revenue costs	243	An explanation of the on-going revenue costs is required

See Answer to Q.24

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
23	69	Alexandra Park & Ice Rink Capital Bid	211	Can the costed business case for the Ice Rink be provided (showing projected income streams) – links to capital bid.
See Answer to Q.24				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
24	69 & 81	Alexandra Park & Palace	N/A	The Director of Corporate Resources is requested to give a general briefing on the Alexandra Place revenue and capital bids.
See Appendix A				

New Revenue Savings Proposals

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
25	64	Non renewal of current insurance policies for Computer and Money/Cash	100k	What risk is the Council exposed to and how has it been mitigated?
<p>When the policies for Computer and Money/Cash in transit were renewed in 2009/10, as part of the Council's current contract, the Council's insurers required an increase in the levels of excess to £10k, without a corresponding reduction in the costs of the premiums.</p> <p>A review of the costs of the policies and the claims history over the last 3 years was therefore undertaken to analyse the risks and options for 2010/11. The analysis showed that, based on the Council's claims history and improvements in risk management arrangements, it would be more cost effective to take on the responsibility for managing the policies in-house.</p> <p>The operational rules and procedures which were in place when the policies were externally purchased will apply to the in-house managed policies. This will ensure that the Council continues to manage the risks and claims will be assessed appropriately.</p>				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
26	64	Additional savings from current VFM review in IT	100k	Further information and a breakdown of savings requested
At this point in time, as the Value for Money (VFM) review in IT Services is still underway, it is not possible to provide a detailed breakdown of the additional savings that will be realised during 2010/11. A discussion is currently underway with all Directorates to review the level of service required from IT and determine specifically how these further savings will be achieved, without impacting front line services.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
27	64	Improved procurement and delivery methods for adult social care training	30k	Further information requested
We will seek to reduce either the cost of training on Adults Social Care short courses to contain the spend to within the limits of Area Based Grant (ABG) grant.				
We will seek to do this by re-tendering the Adults Social Care programme in Spring 2010 - and if this does realise savings, we will then have to look at reducing the number of courses delivered.				

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
28	64	Vacant OD consultant post/ Graduate trainee programme	50k	More detail requested on the deletion of the OD post in terms of impact and how is the aiming high programme funded? How much is budgeted for Aiming High?
The deletion of the Organisational Development post will impact on the number and frequency of development programmes the service can deliver. In practice this means that we will run development programmes such as Aiming High every 18-24 months – rather than annually; reduce the level of development support to our Graduate trainees; cut back on in-house coaching programmes.				

The Aiming High programme, a development programme for staff who aspire to future leadership positions, is funded via the OD budget. The programme has a target for the number of Black and Minority Ethnic (BME) and women taking up places on the programme. Aiming High has seen a large number of past programme participants moving up the organisation to more senior roles.

The current budget for the Aiming High programme is £10.6k pa for the taught element of the programme, and approximately 20% of a FTE (i.e. £10k pa).

Capital Investment Bids

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
29	72 item 25	IT Capital Programme	1,500k	More information on what projects are planned to be funded from this bid is requested. Details requested about actual benefits to Haringey of there implementation.

The projects to be funded from the IT Capital Programme are raised on a case by case basis by individual Business Units and submitted to a cross Directorate, officer led board for approval and prioritisation. Individual projects are submitted with a business case detailing the benefits to be realised from the investment made. These business cases are reviewed by the board, with officers making a recommendation to the Lead Member for Resources who decides which projects should go forward. The level of this year's investment bid is in line with expenditure in previous years. Service Directorates view investment in IT as a key enabler for the realisation of efficiency savings over the coming years. The level of investment bid is considered on a year by year basis, with future years investment being indicative only. Page 76 item 25 sets out details of the types of projects that are likely to be considered.

The Lead Member for Resources is happy to speak further on this matter.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
	73 item	Hornsey Town	5,654k	More information on the

30	31	Hall Refurbishment & Development		project including feasibility is requested
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Project Objectives

The objectives of this project are to refurbish and renovate the Grade 2* listed Hornsey Town Hall building into an Arts, Cultural and Community facility and to transfer this asset to the community sector for the benefit of residents and visitors of Haringey and beyond. It aims to be a 'world class model of Civic renaissance'.

Funding and Feasibility

The refurbishment project will be financed by the sale of land to the rear of the building for residential development. The feasibility study and development is being driven by a partnership between Haringey Council and a Community Partnership Board (CPB). The CPB has formed a management company which will evolve into a Charitable Trust. The Trust is preparing a viable Business Plan to run the refurbished building independently.

The capital funding gap between the receipt from the disposal and the cost of refurbishment will be met through fundraising and is the responsibility of the Trust. This is currently estimated to be approximately £3 million (phase 1) for which the Trust is developing a fund raising plan.

It is anticipated that once completed, the Town Hall will be leased to the Community Trust with the standard terms for a community building with circular funding for the rent but the lease will be granted for a longer period of between 75 and 125 years.

Following completion of the feasibility study and initial public consultation led by the CPB, Cabinet decided in July 2009 that the Council would extend its forward funding of this project (total £7.1 million).

Appropriate gateways are in place at various stages of the project.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
31	73 item 32	Accommodation Strategy Phase 2	3,420k	More information requested

Project Objectives

The key objectives of this project is to achieve further efficiency savings in office costs by increasing space utilisation through the application of revised accommodation standards, including removal of cellular offices, introduction of workspace sharing and greater flexible working from alternative locations. Additional benefits of this project include;

- Contribute to the reduction in Haringey's carbon footprint.
- Provide a modern working environment for employees.
- Improve customer/resident perception based on increased staff productivity, a consistent visitor experience and public image of the council.
- The overall strategy was agreed by Cabinet in October 2008 .

Project Plan

:

- Fully establish the Wood Green hub as a council back office.
- Relocation of services into the remodelled floors to vacate the buildings determined for disposal.
- Disposal of buildings released as a result of the rationalisation.

The project did originally include the replacement of the Civic Suite to Woodside House, which is currently on hold.

The capital investment is required to carry out refurbishments of the retained buildings, creation of remodelled office spaces to facilitate flexible working and implementing team relocations. This investment is in effect a forward funding awaiting release of proceeds from the disposal of properties released.

Request No.	Report Page No.	Area / Service	Efficiency or investment £	Overview and Scrutiny Committee comments
33	General	Sustainable Investment Funds (SIF)	N/A	Information to be provided on requests made for funding from the SIF and what benefits have been derived from allocations made.

A range of Energy Efficiency Projects that have been supported across the Council by means of the Sustainable Investment Fund.

Total investment committed to-date is in excess of £650k and this is split £400k from the Council SIF budget and £250k Government match funding from SALIX.

Anticipated carbon savings from projects approved to date are in excess of 1,600 tonnes as set out below. Payback periods on SIF investment will vary due to fluctuations in the cost of gas and electricity, but are generally between 1-5 years.

The Council has also recently established a separate SIF budget for schools and early interest is being shown.

Key to table below: a = actual saving measured, e = estimated (pool covers and lighting controls have been installed and are currently being measured)

Carbon Reduction Technologies (carbon tonnes)

Sites	Voltage Optimisation	Variable Speed Drives	Swim. Pool Covers	Light. Controls	Light. Controls	IT Blade Servers	Boiler Controls	Boiler Upgrades	Water Filtration Project	Draught - proofing
River Park House	104 a					107 e	36.5 e			
Alexandra House	35 a						80 e			
48 Station Road	26 a									
Wood Green Central Library	31 a						40 e	32 e		
Apex House							5.7 e			
Tottenham Green Leisure Centre		179 a	55 e	22.6 e			50 e		62 e	
Park Road Swimming Pools		30 a	117 e	14.4 e			55 e	85 e		
White Hart Lane Sport Centre				12.76 e				16.6 e		
Professional Development Centre				18 e						
Tottenham Green Library				44 e	97 e					
Technopark						107 e				
Cumberland Road								3 e		

Sites	Voltage Optimisation	Variable Speed Drives	Swimming Pool Covers	Lighting Controls	Lighting Upgrades	IT Blade Servers	Boiler Controls	Boiler Upgrades	Water Filtration Project	Draught-proofing
639 High Road										
Ermine Road Centre							7 e			
Broadwater Lodge Residential Home							18 e			
Tetherdown School				19.2 e						1.48 e
Fortismere School				37.9 e						28 e
Alexandra Park Sec School				48.7 e						31.45 e
Rhodes Avenue School	pending	e		7.4 e						
Broadwater Farm ILC	pending	e								

Appendix A

Q.24 General Briefing on Alexandra Palace Revenue and Capital Bids

1. Background

Alexandra Palace & Park Charitable Trust (APPCT) is a charity with a sole trustee – Haringey Council. The Trust has a wholly owned trading subsidiary, Alexandra Palace Trading Limited (APTL) which generates profit from the venue, and provides the majority of recreational content on site, through events including exhibitions, concerts and trade shows & leisure activities such as the Phoenix bar and ice rink.

The Park is thriving, having recently been refurbished by a Heritage Lottery Find grant – it has Green Flag and was awarded Silver Gilt award in this year's London in Bloom awards. The palace buildings, however, are suffering from a lack of investment in infrastructure and it is increasingly difficult for APTL to stage events or 'sell' the space for hire.

Based on the results of a detailed condition survey commissioned in 2005, the cost of restoring the Palace to a weather proof, structurally sound condition with sound mechanical and electrical systems is estimated to be between £26m and £33m.

Since 2005, few works have taken place to arrest the continuing deterioration of the building and the Trust's Facilities Management team now believe that the Trust has a limited period to address these issues before it becomes very difficult for the company to operate the venue in its current form. The Trust would lose the gift aid and licence fee.

Investment in planning a sustainable future for AP would ensure that the palace continues to deliver the benefits to the borough. The right investment would potentially reduce, if not eliminate, the subsidy to the borough in the medium term.

2.1 Capital

The Trust has submitted two capital bids to the Council for 2010/11. The first is a bid to address general buildings dilapidations, amounting to £1m p.a. for three years. The second is a £2m bid to repair and upgrade the ice rink facility. This later bid has been classified as being one that prudential borrowing may be suitable for.

2.2 General buildings dilapidations - £1m p.a. for 3 years (capital)

The key objectives of this capital bid are to address critical repairs/replacement within the following key areas:-

- Leaking external hydrant water service by the installation of a plastic liner into the 250mm underground ductile iron pipe work
- Faulty and unreliable fire alarm system by system replacement
- Leaking roof in the Great Hall and degradation of the external Brickwork, render and fenestration
- Theatre repairs to make the facility safe and ready to mothball to protect the Victorian assets.
- BBC Studios, Ancillary Parts of the East Entrance, Sub-basement repairs to make them safe
- Address the dilapidation of internal Fabric, decoration and cleanliness by a programme of decoration and cleaning.
- Building services replacement of faulty controls and repairs/replacement of corroded heating and ventilation systems.
- Replacement and upgrading of telephone & IT systems.

The Trust have recently considered a detailed report about the state of the theatre, which set out various options - the minimum cost option was to undertake basic repairs to the ceiling (that would cost a minimum of £90k) the Trust have no funds for this work at present. They have agreed that this is the minimum that needs to be done and asked their officers to try to obtain funding for this.

Within the general site dilapidations bid of £1m p a for 3 years is a sum of £500k , spread over two years to make the Theatre safe and protect the asset.

A decision to approve this capital investment would remove the requirement for an additional £250k in repairs and maintenance revenue expenditure for 2010/11.

2.3 Capital Bid to Safeguard the Ice Rink £2m (capital) (Q.23)

Alexandra Palace ice rink was installed in 1988 and has been in continuous operation since 1990. It welcomes up to 200,000 visitors annually and generates approx. 75% of the annual profit of the trading company. The facility has reached the end of its operational life and there are now real dangers that the whole system could fail, rendering the rink totally inoperable. Furthermore, the ice rink chiller operates on R22 refrigerant gas, a Green House Gas which is being phased out from 1st January 2010. Again, urgent action is therefore required within the next 2 years to safeguard the rink for the local community and secure this revenue stream in the medium to long term.

The cost of replacing the ice rink chiller and environmental system, as well as addressing compliance and dilapidations issues, is estimated at £2m. This investment would also produce a much improved facility with additional revenue generating potential, achieving pay back on the initial investment within 10 years. However, there will be an additional £211k revenue investment requirement in 2010/11 due to the need to close the ice rink for a period of six months to carry out the work, however it is estimated that by 2012/13 this would be a net increase in income of £188k. The income streams related to ice rink usage. Appendix B sets out projected changes to the net profit position due to replacing the ice rink over a ten year period.

Revenue

3.1 Core budget uplift - £243k (Answer to Q22)

This represents the uplift required in the Trust revenue budget to bring it up to current operating levels and to fund facilities management support to deliver essential repairs and maintenance works. The Council allocated £1.728m revenue funding to the Trust in 2009/10. The Trust's internal budget, approved by the Board of Trustees, stands at £1.967m. The increased funding requirement is largely due to a reduction in the anticipated gift aid payment from Alexandra Palace Trading Limited due to the difficult economic climate and the increasingly dilapidated state of the building. It has not been possible to reduce Trust expenditure to cover the shortfall in gift aid income due to the requirement to maintain the building to legally required standards.

3.2 Repairs and maintenance - £250k

If the bid to secure £3m capital (£1m p.a.) to address critical dilapidations is not approved, it is anticipated that additional £250k revenue expenditure will be required in 2010/11 to ensure the building remains compliant with relevant legislation and can continue to function as a venue. This expenditure will be targeted towards the fire main, fire alarm system and key areas of buildings dilapidation. However this makes no allowance for uplift in general maintenance and decoration within the building and will continue to impact on APTL's ability to sell the space.

3.3 Impact on APTL profit of the ice rink during capital works - £211k

This represents the anticipated reduction in APTL's profit for 2010/11 due to the need to close the ice rink for a period of six months to carry out the refurbishment work, on the assumption that the ice rink capital bid is approved. However, it is estimated that by 2012/13, the refurbished facility would generate a net increase in income of £188k.

3.4 Master Plan for Alexandra Palace - £150k (Question 21)

This investment will enable the Trustees (with delegated authority from LBoH) to articulate a master-plan for the site which can then be tested and a fundraising strategy agreed for executing the required development. The funds would provide for a Project Manager to lead this work and commission the necessary reports to test such proposals. This work is considered important for the future of the asset. There is no capacity within the existing resources of the Trust to under this work without impacting on operational delivery.

Q.23

AP & P ICE RINK CAPITAL BID

APPENDIX B

SUMMARY FINANCIAL POSITION	FORECAST PROFIT									
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Prior Year Ice rink profit	455	243	501	642	752	842	850	857	865	872
Estimated revised profit	244	501	642	752	842	850	857	865	872	880
Increase/(decrease) against Prior year	-211	258	141	110	90	8	7	8	7	8
Cumulative increased profit	- 211	47	188	298	388	396	403	411	418	426