



Report Title: **Medium Term Financial Planning 2011/12 to 2013/14**

Forward Plan reference number:

Report of: **Director of Corporate Resources**

Wards(s) affected: **All**

Report for: **Key decision**

**1. Purpose**

1.1 To provide an update on the financial and business planning process with a revised assessment in each of the next three years of the General Fund, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and the Capital Programme including:

- The financial resources available to the Council;
- The cost of providing existing services; and,
- The overall level of savings that need to be identified to give a balanced, sustainable budget over the business planning period.

1.2 To propose the release, for consultation and budget scrutiny, of savings proposals identified to date through the Haringey Efficiency and Savings Programme (HESP) and the draft Capital Programme.

1.3 To consider the actions necessary to identify the further savings proposals necessary to deliver a balanced three year medium term budget.

**2. Introduction by Cabinet Member for Resources**

2.1 The Government cuts mean that Haringey will face the largest cuts since its inception. We stand opposed to the depth and speed of cuts, not just to ourselves but to the public sector. We reject the notion that the level of these cuts are either necessary, prudent, or without harm. Indeed these cuts will see the level of public spending as a proportion of GDP reduced to levels lower than were even witnessed during the era of Thatcher's premiership. In fact these cuts are amongst the highest of any G20 country, and higher than those demanded of Ireland and Greece, which are in a much more economically perilous situation than that of the UK.

- 2.2 I feel it necessary to highlight this, because we believe that the cuts are not only too fast and too deep for the Council, but we believe they will be damaging to the economy as a whole, both locally and nationally. We believe they deny the opportunity for growth and with it the opportunity to close the deficits through the increased revenues the Treasury receive as economic activity increases. The most extreme impacts of this directly impact on our financial plan with a need to ensure we meet our statutory obligations to service the increased demand on services from the most vulnerable in families. For example the IFS says that the government budgets will see the first rise in child poverty in 15 years, with the number of people entering absolute poverty in the next three years of 900,000. Given this, any claim that the Spending Review represents an agenda of fairness requires us to adopt a definition of that word that we simply don't recognise.
- 2.3 We had hoped that the government would phase the cuts in a manner which would enable us to transition the Council's services more smoothly and with minimum harm to services, but the front loading of cuts now means that we are required to find well over half of our savings next year alone, in addition to the unprecedented in-year cuts which have required us to deal with lost monies of £17m.
- 2.4 The settlement will require Haringey Council to save £46m next year alone and a total shortfall of £87m over the next three years. This essentially means that for every £10 we had, we will only have £6.50, which would be painful on any household budget, let alone the Council's. The notion that these level of savings can be found easily and without detriment to vital services and to the good people of our borough is to deny facts. Already I have been moved by some of the submissions I have received from residents across the borough during the consultation, and they stand as a testament against the notion that the public sector can do no good, that they represent poor value for money, and that they make no difference to people's lives.
- 2.5 Given my responsibilities on sustainability the changes to the carbon reduction commitment to a carbon reduction tax cannot pass without comment. This feels like an extremely disappointing and regressive measure. Given the need to reduce carbon emissions in the public sector it is hoped revenues derived should be ring fenced for re-investment for initiatives to deliver greener public services.
- 2.6 Perhaps most shocking of all is the fact that the government has decided to essentially redistribute resources from councils with high levels of deprivation to other areas. This report highlights the governments own figures on this, where the impact on Haringey's spending power is over 3000% higher than for example Dorset County Council. This creates the real double whammy of the spending review, which has ultimately created more pressure on and removed more resources from populations that serve more deprived and more vulnerable communities.
- 2.7 I feel that as well as the severe reductions to our services, I also feel compelled to highlight the significant reductions in capital funding which will deny us much needed investment in our borough. In particular we expect this to dramatically impact on our regeneration and housing programmes.

2.8 We stand opposed to these cuts. The speed and depth have left the Council with very little room for manoeuvre, and very few choices. The extremely late disclosure of our settlement, and the lack of information that has been forthcoming from the Department of the Communities and Local Government have been extremely unhelpful to our ability to identify all the savings at this stage of the budget process. Given the scale of cuts we wanted to ensure residents the maximum opportunity to shape the future of our borough and to ensure we identified the services and activities of most value to residents. The large bulk of the savings will force us to make a fundamental restructuring of our organisation, which will see a high level of job losses which have already been announced. We will publish a full budget in January.

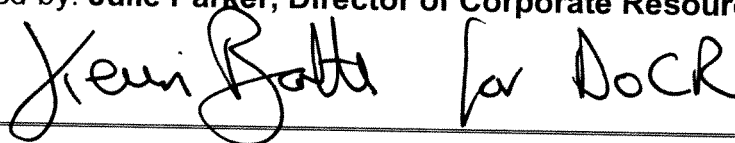
### 3. Recommendations

3.1 Cabinet is asked to note and comment on the overall draft Medium Term Financial Plan and approve:

3.2 That the HESP savings proposals as detailed in Appendix 6, totalling £28.4m over the three year planning period, be released for budget scrutiny with a report back to Cabinet in January.

3.3 That the proposals for capital projects to be funded from capital receipts detailed in Appendix 7 be released for budget scrutiny with a report back to Cabinet in January.

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### 4. Local Government (Access to Information) Act 1985

4.1 The following background papers were used in the preparation of this report:  
Report of the Director of Corporate Resources to the Cabinet on 13 July 2010 –  
Financial Planning 2011/12 to 2013/14

### 5. Background

5.1 The Council's integrated financial and business planning process is the key mechanism by which plans and strategies are reviewed to ensure the performance and priorities are being met and that resources are allocated effectively to underpin their achievement. The process culminates in changes to the budget and medium term financial strategy that delivers a revised Council Plan. The plan reflects the Council's own priorities and contributes to the wider Sustainable Community Strategy delivered in conjunction with the Haringey Strategic Partnership.

- 5.2 The Cabinet on 13 July 2010 considered a comprehensive report on financial strategy for the period 2011-12 to 2013-14 based on a number of assumptions and national policy issues and agreed a business planning and budget-setting process. Members acknowledged the unprecedented scale of the financial challenge facing the Council and the significant levels of savings that will need to be delivered over the planning period. At that time an overall net additional savings target of £58.5m was reported which assumed the achievement of pre-agreed investment and savings proposals of £4.2m (net saving) in 2011/12.
- 5.3 However, the July report also highlighted the uncertainty surrounding the level of future financial resources which would not be clarified until the Government had concluded its Spending Review (published in October 2010) and the results of the new Formula Grant Settlement which were announced on 13<sup>th</sup> December 2010. The July report also pointed to a number of additional risks relating to both the key planning assumptions and the increasing demand for Adult Social Services, Children's Services and Temporary Accommodation.
- 5.4 It is now clear that the funding shortfall facing the Council from 2011-12 onwards is significantly greater than the £58.5m figure indicated in July 2010. The draft Medium Term Financial Plan (MTFP) is summarised in Appendix 1 and shows a current projected three year funding shortfall of £86.9m. With HESP savings proposals of £28.4m identified to date this still leaves £58.5m in savings still to be identified over the three year planning period with £34.0m of that to be found in 2011-12.
- 5.5 There is a considerable amount of work on-going to develop further savings proposals. These proposals are being considered in light of the feedback from the budget consultation process which included an on-line option. The additional proposals will involve significant policy changes and will continue to transform the way the Council operates under the significantly reduced resource base. Further savings proposals will be presented to Members for approval at the January Cabinet. It is planned that the next raft of proposals will go a significant way to filling the funding gap identified and the January Cabinet report will set out other measures to ensure a balanced budget for 2011-12 is approved at Council in February 2011.
- 5.6 The detailed assumptions that support the current draft MTFP are set out below and in the attached Appendices.

## 6 **Appendices**

Appendix 1 – summary of the draft Medium Term Financial Plan highlighting projected annual funding shortfalls

Appendix 2 – detailed analysis of the draft Medium Term Financial Plan by service area

Appendix 3 – detailed analysis of projected budget revenue investments resulting from increased service demand and higher unit costs

Appendix 4 – other changes and variations

Appendix 5 – pre-agreed revenue investments and savings schedule

Appendix 6 – detailed HESP savings proposals

Appendix 7 – draft Capital Programme funded from corporate resources

## 7 Financial Resources

7.1 The Council now has five main streams of financial resources:

1. Formula Grant
2. Core Grants
3. Council Tax
4. Fees and Charges
5. One-off use of Reserves

Fees and charges are considered separately under the savings proposals in Section 9 below.

### Formula Grant

- 7.2 The budget year 2010-11 is the last of the three years under the direction of the Comprehensive Spending Review (CSR) 2007, which was issued in October 2007 and set totals for national and local government expenditure together with Treasury-led policy directions. The budget for 2011-12 is the first one under the new Coalition Government and also the first under the new Spending Review announced on 20 October.
- 7.3 Members will be aware that in the summer the Government announced public expenditure cuts of £6.2bn for the current financial year. £1.165bn of this was in Local Government funding through the reduction in grants to local authorities. The Government also removed the ring fences around £1.2bn of grants to local authorities in 2010-11, to give them greater flexibility to re-shape their budgets and find savings in the most appropriate areas, while maintaining the quality of services to their customers.
- 7.4 As a consequence the Council's revenue grant funding has been reduced by £7.9m in 2010-11. The main reductions have been in ABG (£3.3m) and LAA Reward Grant (£3.6m). The separate report to Cabinet on Finance and Performance to Period 7 shows a projected budget overspend at the year end of £4.0million. However, the overspend has been progressively reducing and at this stage the draft MTFP assumes that there will be no budget variance by the close of financial year 2010-11.
- 7.5 The results of the Government's Spending Review announced on 20<sup>th</sup> October have provided the financial framework within which Government Departments will be expected to operate over the next four years. A Policy briefing note setting out some of the more significant changes in funding being proposed has already been posted on Harinet but in summary these were as follows:
- A reduction in local government funding of 28% by 2014-15;
  - £4.5billion of specific grants being rolled into the formula grant;
  - £1billion additional funding for adult social care (plus £1billion for the NHS);
  - The freezing of 2011-12 Council Tax with a grant for that year based on 2.5% of the Council Tax base (payable for four years);
  - Greater freedoms and flexibilities for local authorities; and,
  - The planned introduction of new funding streams from 2012-13 onwards.

- 7.6 The reduction in local government funding, although announced as the equivalent of an average of 7% per annum, masks a number of significant changes including a “front loading” of the reductions in 2011-12 and a higher reduction in London compared to other parts of the UK. Calculating the exact impact for each local authority had been further complicated by the decision to ‘roll-in’ a large number of current specific and area based grants into the formula funding pot, the abolition of other area based grants (such as Working Neighbourhood Funding) and proposed changes in the basis for allocating formula funding.
- 7.7 The actual grant allocations were announced on 13<sup>th</sup> December 2010 (subject to consultation). The detailed assessment of the implications of the announcement is ongoing, however it is important to note that Haringey suffers the 6<sup>th</sup> worst settlement in London when comparing reductions in ‘revenue spending power’. The settlement appears to disadvantage Councils with high levels of deprivation such as Haringey. Furthermore this is brought sharply into focus when using government figures to compare reductions, with Dorset County Council, for example, seeing an increase of +0.25% compared to the London average reduction of -11.3%. The government’s methodology for analysing the scale of reductions using spending power masks the real grant reductions this Council will face. The current projected reduction in the Council’s funding allocation is actually 13% in 2011/12 (excluding Council Tax Grant) and in cash terms is estimated as £42.3million over the Council’s three year planning period profiled as follows:

	2011-12 £million	2012-13 £million	2013-14 £million	Total £million
New Grant Settlement	179.9	168.0	164.5	
Reduction from 2010-11 base after adjusted for roll-in (£206.8m)	-26.9	-11.9	-3.5	-42.3
% Reduction (year-on-year)	13%	7%	2%	

This loss of formula grant funding on top of the budget pressures already facing the Council gives the total potential budget deficit of £86.9million over the next three years as detailed in Appendix 1.

- 7.8 The grant settlement announcement has not made any reference to some £3.2million of existing smaller grants and the MTFP assumes that if the funding is not received in 2011-12 then associated service reductions will be identified. A fuller assessment of the local government settlement will be included in the January report to Cabinet.

### **Core Grants**

- 7.9 The Grant Settlement also confirms the announcements in the Spending Review that the number of separate core grants is being reduced from over 90 to 10 as follows:
- Early Intervention grant
  - Public Health grant (from 2013-14)
  - Learning Disabilities
  - New Homes Bonus
  - Council Tax Freeze Grant (see Section 7.10 below)

- Housing Benefit and Council Tax Administration Grant
- PFI Grant
- Dedicated Schools Grant including the Pupils Premium (see Section 11 below)
- Preventing Homelessness
- NHS grant to support care and benefit health

None of the above grants, apart from the DSG, will continue to be ring-fenced and, as such, will be able to be used more flexibly. There is, however, a considerable lack of clarity around the NHS grant, both in terms of the allocation methodology and how the grant may be used. Further details will be provided in the next MTFP report to Cabinet.

### **Council Tax**

- 7.10 As part of the Spending Review and Grant Settlement the Government has announced that local authorities who freeze their Council Tax in 2011-12 will have the resultant loss to their Council Tax income funded at a rate of 2.5% in each year of the Spending Review period. The current draft MTFP is based on the Council electing to freeze Council Tax in 2011-12 and therefore qualify for £2.5m in grant funding in each of the next four years. For financial planning purposes only, the draft MTFP incorporates an assumed 2.5% per annum increase in Council Tax from 2012-13 onwards. The Council will make its decision on potential future Council tax rises as the medium term financial picture becomes clearer.
- 7.11 The Government has already consulted on proposals to hold local referendums to veto excessive Council Tax increases. The scheme proposed that the Secretary of State will each year determine principles regarding levels of Council Tax and any authority planning an "excessive" Council Tax increase will be required to prepare a 'shadow budget' and will be required to hold a local referendum of all registered electors by no later than the first Thursday in May.
- 7.12 The Government also announced in the Spending Review (and in a subsequent White Paper) that it will reduce subsidy on Council Tax Benefit (CTB) by 10% and localise it from 2013-14. This is potentially a significant issue for those residents who are eligible for receipt of CTB, should the Council be forced to pass on the reduction, significant hardship could result for those individuals affected. Analysis of the reductions in benefit across the country shows Haringey as one of the worst hit in terms of reduction per head of population. Whilst, on the one hand, this could give local authorities flexibility to tailor the scheme to meet local priorities the obvious concern is that unless the Council reduces the level of benefit it provides in line with subsidy levels then the overall Council Tax income will be reduced.
- 7.13 In 2010-11 a 10% reduction in CTB subsidy would have cost the Council £3.7m without a corresponding reduction in benefits. In fact even if the level of benefits is reduced the Council would need to anticipate a fall in its collection rate.
- 7.14 The draft MTFP includes a provision of £4.0m from 2013-14 based on the assumption that the Council chooses not to recover any loss in subsidy from Council Tax payers. However, the Council will need to give proper consideration to its policy in this regard and as further details of the proposals emerge the level of provision will be reassessed.

## **New Funding Sources in the Future**

7.15 The Government has recently published a White Paper that proposes to give local authorities new opportunities to raise additional funding. These include:

- The establishment of 24 government-approved Local Enterprise Partnerships (LEPs) with the GLA taking on the role of stimulating economic growth in London;
- the introduction of Tax Increment Financing (TIF) under which local authorities would retain the business rate uplift generated from development and use this funding stream to borrow for infrastructure needed to start the development;
- a New Homes Bonus to incentivise house-building locally through which the government will match fund the additional council tax for new homes and properties brought back into use for six years after being built;
- a local government Resource Review which will consider whether the government should establish a Business Increase Bonus scheme or enable Councils to retain locally raised business rates;
- local authorities will also be allowed to keep additional business rates generated from hosting renewable energy projects.

The views of local authorities are being sought during December 2010 with the Resource Review being launched in January 2011.

7.16 Over the medium term planning period it is unlikely that these opportunities will generate significant additional general fund revenue resources with the exception of the New Homes Bonus. The position will therefore be kept under close review and the results of the various consultation processes will be monitored with the potential revenue implications assessed and incorporated into our financial plans once the proposals have been finalised.

## **8 Revenue Investments (Budget Pressures)**

### **Service Demand and Unit Cost Pressures**

8.1 The Council's budget monitoring reports over the first eight months of 2010-11 have been highlighting significant cost pressures particularly in the Children and Young People's Service, Adult Social Services and Homelessness. The management action that has been necessary to contain these budget pressures, as well as dealing with the in-year reduction in Government funding, will now be largely reflected in longer term savings proposals through the HESP sub-groups which are reported in more detail in Section 9 below. However, these budget pressures will continue over the financial planning period and therefore need to be reflected in the new base budgets against which savings decisions will be considered.

8.2 A schedule detailing the budget pressures in each service area is attached as Appendix 3. Over the three year planning period the growth pressures total some £16.8m with £14.2m in 2011-12. These pressures are summarised below.



- Looked after Children and Safeguarding (£7.4m from 2011-12) – increased numbers of children in care and those with no recourse to public funds.
- Adult Social Care (£4.4m from 2011-12) – a higher demand for services, including in learning disabilities with children transitioning into adult social care. There is also a significant reduction in anticipated NHS joint funding.
- Homelessness Temporary Accommodation (£2.2m from 2011-12) – resulting from the housing benefit subsidy changes introduced on 1st April 2010 and further changes to the benefit system being introduced by the Government.
- Benefits and Local Taxation (£0.2m from 2011-12) – reflecting the additional cost of administering an increasing number of benefit claimants and maintaining existing service standards.

### **Other Changes and Variations**

8.3 In addition to the specific budget pressures there are a number of general cost pressures that the Council will face over the planning period.

- Inflation – the Government's projections for Consumer Price Index (CPI) inflation reflected in the Spending Review are 2.4% in 2011, 1.9% in 2012, and 2.0% in 2013 and 2014. The Governor of the Bank of England is already warning that the 2011 projections are optimistic, particularly given the 2.5% increase in VAT from January 2011. Whilst the Government has stated that it expects a period of wage restraint across all public services a provision will be factored into the planning assumptions. Furthermore there is a 1% increase in the employers' National Insurance rate from April 2011.
- Another area of considerable price volatility is the cost of energy. Although Corporate Procurement has successfully driven down unit costs the current wholesale prices have gradually increased over the past three months and all energy users could face significant price increases over the next twelve months. Provision has therefore been included to cover unavoidable price increases to goods and services although Corporate Procurement will be working with service managers to negotiate lower prices wherever possible.
- Equal Pay/Single Status - a new package of pay and conditions was agreed in September 2008. The pay arrangements in terms of the back-dated compensation were resolved and paid last year and an estimate of the potential on-going costs going forward will be included in the budget.
- Concessionary Fares - London Council's previously agreed to revise the allocation of the cost of the concessionary fares levy to move towards actual usage data and this is being phased in. However, further substantial increases to concessionary fares are forecast due to further reductions in grant funding from the Mayor of London as well as the continuing impact of the change in the method of distribution.
- North London Waste Authority – increases in both waste tonnages and the statutory increases in landfill tax. With the plans for the major procurement to secure new long term recycling and environmentally sound disposal facilities now in doubt following the Government's withdrawal of PFI credits the future cost implications for all of the member boroughs is unclear.

- Employer Pension Costs - the next actuarial triennial valuation will be finalised before April 2011. However, current indications are that the pension fund is 70% funded with ever increasing life expectancy giving rise to higher long term liabilities and employer contributions. Discussions are taking place with the actuary regarding the level of future employer contributions.
- The Government has commissioned a report from Lord Hutton into the future financing of public service pensions and significant changes to the scheme are anticipated. An increase in employee contributions and amendments to the existing final salary arrangements are predicted. Once the report is released it will be possible to start to consider the funding implications.
- Risk Provision – there are significant risks to the level of government funding from 2012 onwards and the Council will see further increases in the demand for Children’s Services, Adult Social Care and Housing Services as a result of the Government’s proposed changes to the Welfare Benefits System with a consequential increase in service costs.
- Alexandra Palace and Park - the long term future will be the subject of further consideration and consequently the Council’s financial support to the Charity will need to be reviewed in light of the Council’s considerable financial challenge. Work will need to commence to formulate a master plan for the Palace with the aim to secure its long term future. The underlying revenue deficit is in the order of £2m per annum and this is not likely to improve without further significant changes or investment.
- Carbon Trading – the Government has announced proposed changes to the carbon Trading Scheme which in effect turn it into a carbon tax. This is a disappointing change given that the Council has continued to give a high priority to environmental improvement and this change in direction will make it even more difficult to achieve our green agenda objectives. There is currently uncertainty as to whether the Council will become liable for the tax on schools carbon emissions and although the payments under the scheme will not be due until 2012 (based on 2011-12 consumption) provision will need to be included in the budget from next year.
- Other – there are other smaller provisions that need to be included in the MTFP to cover the increased cost of levies and potential debt financing cost changes (see paragraph 14.4 below).

8.4 The potential overall additional cost to the Council from the above budget pressures is detailed in Appendix 4.

## 9 **Budget Process and Savings Proposals**

9.1 The strategy for dealing with the considerable budget gaps from 2011-12 onwards is already well advanced. There are three key strands which have been developed through a Haringey Efficiency and Savings Programme (HESP):

- Significant 'back office' efficiencies will be achieved through the '**support functions review**' in order to protect front line services as much as is possible;
- Services to be reduced or discontinued will be identified in the '**strategic service reviews**'; this will involve prioritising resources to the most vulnerable in the Borough and other changes could include reconfiguration, shared services, social enterprises, reviewing policy options and discretionary areas of spend.
- We will bring together commissioning activities by developing a '**strategic commissioning**' function that will focus our resources on desired outcomes over and above delivery and process.

9.2 As part of the 2010-11 financial and business planning process the Council has already approved a number of revenue investments and savings which will impact on the draft MTFP. These show a net saving of £4.8m and are detailed in Appendices 5.1 and 5.2. To date new savings proposals totalling £28.4m have been identified which are detailed in Appendix 6.

9.3 It must be recognised that there will be costs associated with delivering an efficiency programme of this scale. The Council has an earmarked Risk Reserve of £10m to fund the associated transition costs of redundancies, decommissioning, and investment necessary to deliver longer term efficiencies and change.

9.4 Indeed, the Council has already asked staff to volunteer for redundancy with the total redundancy costs of approximately 1,000 staff likely to be between £10m and £20m.

9.5 The transition costs will be kept under constant review and reported to Members as part of the overall budget monitoring process. The Government has already recognised the strain that will be placed on local authority finances by the number of redundancies that are likely to be necessary and has invited Councils to apply for authority to capitalise the associated costs. This Council has made such an application.

9.6 The savings proposals include an estimated £2.0m from increases in fees and charges. Cabinet will have received separate reports on these proposals (one on Parking, another on Children's Centres and one covering other service areas) and therefore any changes resulting from the consideration of those reports will have a direct impact on the draft MTFP and will be taken account of.

## 10. **Risks and Opportunities**

10.1 When setting the draft MTFP, Service Directors have provided their best estimate of their service costs and income based on the information currently available. However

there will always be factors outside of the Council's direct control which will vary the key planning assumptions that underpin those estimates.

- 10.2 There are a number of significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services.
- 10.3 Similarly there are opportunities either to reduce costs or increase income which will not, as yet, have been fully factored into the planning assumptions. The main risks and opportunities are summarised below.

### **Risks**

- Reduction in service standards and/or performance
- Increasing service demand
- Impact of Housing Benefit and other welfare benefit changes
- Delay or non-delivery of savings proposals
- Inflation
- Shortfall in revenue due to general economic climate
- Further reduction in NHS joint funding
- Increase in bad debts

### **Opportunities**

- New freedoms and flexibilities
  - New income streams as a result of government White Paper
- 10.4 An assessment of the possible impact of these risks and opportunities will form the basis of an on-going review of Reserves and Contingencies.

## **11. Dedicated Schools Grant**

11.1 2010-11 is the final year of the current multi-year funding settlement for the Dedicated Schools Grant (DSG). The government has now confirmed DSG funding details for 2011-12 and that it has continued with the 'spend-plus' methodology for distributing DSG in that year; this means that the earliest point at which there could be a reversion to a formula based DSG allocation (including a more equitable Area Cost Adjustment (ACA) factor for Haringey) would be 2012-13.

11.2 The announcement identifies that DSG has, for 2011-12, been maintained at 2010-11 cash levels on a per pupil basis which is a real terms reduction to school funding. The grant has also been broadened to include a number of previously separate grant funded resources which have been included in DSG at the same per pupil level as for 2010-11. Those grants now included within DSG are:

- London Pay Additional Grant;
- School Standards Grant (incl. Personalisation);
- School Development Grant (incl. Specialist Schools);

- School Lunch Grant;
- Ethnic Minority Achievement Grant (EMAG);
- 1-2-1 tuition (making good progress);
- Extended Schools (sustainability and subsidy elements);
- National Strategies (Targeted Support for Primary and Secondary);
- Flexibility of Free entitlement (3 and 4 Year olds); and
- Diploma Delivery Grant.

- 11.3 In summary therefore the Council's 2010-11 per pupil Guaranteed Unit of Funding (GUF) of £5,364.29 taken together with the value of the above grants at 2010-11 levels on a per pupil basis (£942.51) gives a 2011-12 GUF of £6,306.81. Whilst final pupil numbers will not be known until June 2011 at the earliest, the DfE has exemplified a DSG for the Council, using 2010-11 pupil numbers of 32,084, which amounts to £202.350m. Once the annual school level census (PLASC) has been undertaken (January 2011) and validated a revised estimate of pupil numbers will be used to set school budgets.
- 11.4 No details have yet been published on the funding levels for post 16 pupils, who are funded by the Young Peoples Learning Agency (YPLA), although the government has said that they will be reduced as they seek to equalise funding between different providers.
- 11.5 There has been recent speculation that the government is considering the use of a National Funding Formula (for DSG) from 2012, with a newly created Education Funding Agency taking over finance for all schools and sixth from provision from the following year.
- 11.6 A key element of the announcement, and the subject of previous consultations in 2010, is the introduction of a Pupil Premium (PP) for disadvantaged pupils up to age 16 in schools. The PP is to be provided by way of a separate ring-fenced grant within the overall Schools Budget Settlement and which must be passed on to schools with disadvantaged pupils. The level of the Pupil Premium in 2011-12 has been set at a flat rate of £430 per disadvantaged pupil; despite indications to the contrary in the government's final consultation papers, no enhancement for differential Area Costs is to be added to the Pupil Premium meaning that its value to Council's such as Haringey which has high levels of child poverty is reduced relative to others. Children who have been looked after for more than 6 months will also attract the Pupil Premium at the same rate.
- 11.7 The government has previously indicated their expectation that schools can make efficiency savings from procurement and 'back office' functions and it appears that they have reflected this in their calculation of the pressures facing schools and therefore in the level of the Minimum Funding Guarantee (MFG) for schools. The MFG, which will take account of the transfer of grants, inflation and assumed efficiencies, has been announced at negative -1.5%.
- 11.8 In addition, and following its deferral by a year, all authorities will have to implement an Early Years Single Funding Formula (EYSFF) from April 2011; the proposed formula for Haringey is currently being consulted on and this will be used to fund all

settings providing the free entitlement (15 hours per week over at least 38 weeks) to 3 and 4 year olds.

- 11.9 A meeting of the Schools Forum has been scheduled for 17 January 2011 where their views on the Strategy for the Schools Budget will be sought and reported subsequently to the Cabinet however, the current draft plan assumes that there will be no change in the net cost to the General Fund.
- 11.10 The government has also announced the basis for calculating schools' Devolved Formula Capital (DFC) allocations which, on a like for like basis, indicate a reduction of 80% over 2010-11 levels.

## **12. Housing Revenue Account**

- 12.1 The Department for Communities and Local Government (CLG) has issued draft figures for the 2011-12 Housing Revenue Account Subsidy determination which will form the basis of the draft HRA Medium Term Strategy . Generally these consultation documents are released towards the end of October each year, but this year they have been delayed due to the Government's Spending Review.
- 12.2 The draft figures have been constructed on a similar basis to that used in previous years. CLG intends to continue with the existing HRA subsidy system until a reformed system of council housing finance is implemented. It is anticipated that these new 'Self Financing' arrangements will come into effect from April 2012 at the earliest. Indeed local authorities are still awaiting the outcome of the consultation process which closed in July 2010 with the Government announcing its intention to use the Devolution and Localism Bill to abolish the current HRA subsidy system.
- 12.3 Consultation on the 2011-12 determination ended on 16 December 2010.

### **HRA Supported Borrowing and Decent Homes Funding**

- 12.4 The Provisional Local Government Finance settlement has confirmed that the annual Supported Capital Expenditure allocations are to be abolished from 2011/12. Haringey's allocation for the current year is £6.233m and this will therefore no longer be available for 2011/12.
- 12.5 CLG have also announced that allocations of new supported borrowing for Decent Homes (ALMO SCE) in 2011-12 will be determined after a process of consultation and bidding to be managed by the Homes and Communities Agency (HCA). The Decent Homes funding will be restricted to those Councils with more than 10% of their housing stock not meeting the Decent Homes Standard (Haringey is forecast to have about 20% of dwellings below this Standard at the end of March 2011) and the outcome of the initial bidding process is unlikely to be known until January/February 2011. Set in a national context the available funding for Decent Homes is about 60% below the previous baseline figure for 2010/11.

## **Rents and Restructuring**

- 12.6 The draft determination gives a guideline rent increase of 6.4% per dwelling. This is based on the September 2010 RPI inflation of 4.6% and rental convergence with Housing Association rents by 2015-16.
- 12.7 The average weekly dwelling rents, with caps and limits applied under the government's rent restructuring policy, would increase from £82.13 to £87.49. This is a cash increase of £5.36 per week (6.5%). Consultation with tenants on this proposed increase will be held during December and early January 2011.

## **Management and Maintenance Allowances**

- 12.8 Management and Maintenance Allowances are increased by 4.3% to £2,277 per dwelling. Taking into account the reduction in dwellings, this represents an increase in the overall allowances of £1.47m.

## **Major Repairs Allowance (MRA)**

- 12.9 The MRA per dwelling has increased by 4.9%. Taking account of the reduction in dwellings this represents a cash increase of £0.63m.
- 12.10 Following the normal consultation process the recommended HRA Medium Term Strategy and associated rent increases will be presented to Cabinet in January 2011 as part of the Council's overall MTFP (subject to confirmation of future DH funding).

## **13. Capital Programme**

- 13.1 The Spending Review announcement in October indicated that capital funding from all Government Departments to Councils will fall by around 45% over the next four years and the Government will prioritise capital investment on areas of greatest economic value such as high value local transport.
- 13.2 This will have a significant impact for the Council as the capital programme has been largely financed by government grant or other external funding, (although discretionary local schemes with a high priority have been previously funded by capital receipts). The externally funded programme being proposed by Directorates for 2011-12 to 2013-14 factors in the restrictions on capital funding indicated above.
- 13.3 There are major investment programmes underway primarily financed by central government, in particular Building Schools for the Future, (£214m) and Decent Homes (£199m).
- 13.4 The Spending Review announced the abolition of the Buildings Schools for the Future (BSF) programme but set aside £15.8billion of capital funding over the Spending Review period to rebuild or refurbish over 600 schools from the BSF and Academies programme. The Government believe that the decision to end BSF will allow new capital to be refocused on meeting demographic pressures and addressing maintenance needs. The Council's Secondary Schools BSF programme is almost complete and existing projects are unlikely to be affected.

- 13.5 For Decent Homes, the risk is much greater as £99m of previous indicative resources remain unconfirmed and the CLG have announced that allocations of Decent Homes funding will be determined via a bidding process to be managed by the HCA after a period of consultation on the allocation process which ended on 6th December 2010. This is confirmed in the Provisional Local Government Finance Settlement and there is a reduction in base funding of almost 60% for 2011/12 and 44% for 2012/13. The timescales for the bidding process indicate that allocations for 2011-12 will not be announced until January/February 2011. Furthermore it has been confirmed that the annual Supported Capital Expenditure borrowing allocations are to be abolished from 2011/12. Haringey's allocation for the current year is £6.233m. Future spending and associated resources plans for the HRA will therefore need to be amended accordingly.
- 13.6 The Government have announced the Major Repairs Allocations for 2011-12 as part of the draft HRA subsidy determination. The allocation for the Council is £13.5m, an increase of 5.2% compared to 2010-11. This is currently the only confirmed capital funding stream for the HRA.
- 13.7 The proposed capital programme for the period 2011-14 to be financed from internal funding is detailed in Appendix 7. With respect to internal resources, the forecast capital receipts over the planning period 2011-12 to 2013-14 continue to reflect the prevailing uncertain and difficult property market conditions. It is estimated that approximately £19.8m of new usable capital receipts will be available over the next three years, phased as follows: £9.3m in 2011-12, £7m in 2012-2013 and £3.5m in 2013-14. The proposed schemes to be funded from these and other internal resources, (e.g. reserves), are based on the Council's investment priorities and the need to effect essential health and safety works.
- 13.8 The Spending Review also announced that Local Authorities in England will be granted new borrowing powers aimed at driving local investment and economic growth. These new borrowing powers, known as Tax Increment Financing (TIF), will allow Councils to borrow against predicted growth in their locally raised business rates (see also Section 7.15 above). Any additional borrowing opportunities are not reflected in the current draft plan.

#### **14. Treasury**

- 14.1 The Treasury Management Strategy Statement for 2011-12 will be presented in January 2011 for approval in accordance with the CIPFA Treasury Management Code of Practice.
- 14.2 The Council's treasury management advisers' current expectation is that the Bank of England's base rate will remain at 0.5% at least until the end of 2011 and then start to rise to 3% by 2013. This forecast assumes the UK economy's growth rate continues to improve and so there is a risk that base rates remain low for even longer than this. Medium and longer term rates are expected to remain significantly higher than short term rates although the difference will start to reduce by 2013.



14.3 On 20 October 2010 the Public Works Loan Board (PWLB) increased all their interest rates by 1% in line with the change announced in the Spending Review. PWLB is the main source of borrowing for local authorities and so the Council is now reviewing with its advisers other possible sources of cost effective borrowing for the future.

14.4 This background means that the proposed treasury management strategy for the next few years will be to continue to keep cash balances low and invested short term and to borrow only when required. Over the next three years, £129m of fixed term borrowing is due to mature which currently costs on average 10.2%. It is expected that this can be refinanced at significantly lower rates and reduce debt financing costs accordingly.

## 15. **Consultation**

15.1. It is proposed that the Haringey Efficiency and Savings Programme proposals are released for consultation. Consultation will be carried out with various representatives of tenants, residents, partners, staff and unions and the Council's own Overview and Scrutiny Committee in the normal way.

15.2. The Council has undertaken a public budget consultation called 'Shaping our Future'. Using an online and paper questionnaire the consultation asked people to indicate the relative importance of services to them; to indicate their level of support for possible cost cutting measures; and to suggest other ways the council could save money. The paper questionnaire has been distributed by schools and partner organisations and was available at the Council's customer service centres, libraries and sports and leisure centres. The consultation ended on 17 December.

15.3. Cabinet Members are involved in on-going conversations with residents of the Borough and have also attended the Council's Area Assemblies to elicit views and answer questions from attendees. Discussions are also on-going with representatives of the youth community regarding our plans for Youth Service provision in the future.

15.4. The feedback from the consultation process will be considered by Members in due course and reported in the Council's final budget report in February 2011.

## 16. **Summary**

16.1 The financial climate over the next three years will be extremely challenging for local government. Central Government restrictions will mean that the breadth of services currently provided by local authorities will be greatly reduced and very much more targeted to supporting the most vulnerable in our society.

16.2 The current draft Medium Term Financial Plan reflects those risks (and to a lesser extent opportunities) that can be realistically assessed at this point in time. However, the scale of social change that will be driven by the Government's proposals from its Spending Review will mean that the Council will need to review on at least a quarterly basis the robustness of the key planning assumptions and be prepared to adjust the plan accordingly.

- 16.3 There is a considerable amount of work on-going to develop further savings proposals under the HESP. These proposals are being considered in light of the feedback from the budget consultation process which included an on-line option. The additional proposals will involve significant policy changes and will continue to transform the way the Council operates under the significantly reduced resource base. Further savings proposals will be presented to Members for approval at the January Cabinet. It is planned that the next raft of proposals will go a significant way to filling the funding gap identified and the January Cabinet report will set out other measures to ensure a balanced budget for 2011-12 is approved at Council in February 2011.
- 16.4 Whilst plans are being developed to transform services and produce greater efficiency savings these type of savings are difficult to deliver in short timescales. It is inevitable therefore that reductions in service must be considered.
- 16.5 Much work will need to be undertaken over the next three months before a clear picture emerges on the final shape of the Council, the services it will be in a position to provide and the associated allocation of financial resources. The MTFP programme to the end of March 2011 will need to be flexible to accommodate the impact of further Government announcements and clarification to existing proposals.

## **17. Recommendations**

- 17.1 Cabinet is asked to note and comment on the overall draft Medium Term Financial Plan and to agree the following:
- 17.2 That the HESP savings proposals as detailed in Appendix 6, totalling £28.4m over the three year planning period, be released for budget scrutiny with a report back to Cabinet in January.
- 17.3 That the proposals for capital projects to be funded from capital receipts detailed in Appendix 7 be released for budget scrutiny with a report back to Cabinet in January.

## **18. Comments of the Head of Legal Services**

- 18.1 The Council is under a statutory duty to set a balanced budget having regard to the report of its Chief Financial Officer as to the robustness of the estimates and the adequacy of proposed financial reserves. This must be preceded by a robust and comprehensive Medium Term Financial Plan. The report proposes to Members that a process of consultation be undertaken on the HESP proposals for savings which will involve relevant groups of the community and particularly service users. Members are reminded that in cases where closure of facilities affect service users with complex physical or psychological needs, Members will need to be assured before taking a final decision that the proposals for an alternative meeting of those needs are adequate.

19. **Equalities Implications**

The Council's business planning process is designed to capture all strategic issues including equalities implications. Officers will be carrying out detailed equalities impact assessments on significant items as part of the final budget process.



# SUMMARY OF DRAFT MEDIUM TERM FINANCIAL PLAN TO MARCH 2014

## Appendix 1

	2011-12 £'000	2012-13 £'000	2013-14 £'000	Totals £'000
Total Net Service Cost Brought-forward	307,829	283,439	274,039	
Changes and Variations	26,417	10,573	19,963	56,953
Prior-year Agreed Growth	(640)	(203)	(25)	(868)
Prior-year Agreed Savings	(3,614)	(283)	-	(3,897)
Total Funding Requirement before Savings	<u>329,992</u>	<u>293,526</u>	<u>293,977</u>	
Total Projected Available Funding	283,439	274,039	273,139	
Total Savings Requirement	<u>(46,553)</u>	<u>(19,487)</u>	<u>(20,838)</u>	<u>(86,878)</u>
HESP proposals released for consultation	(12,564)	(10,114)	(5,675)	(28,353)
Shortfall - savings to be identified	<u><u>(33,989)</u></u>	<u><u>(9,373)</u></u>	<u><u>(15,163)</u></u>	<u><u>(58,525)</u></u>

# DRAFT MEDIUM TERM FINANCIAL PLAN TO MARCH 2014

## Appendix 2

	2010-11 Revised Budget £'000	Prior Year Approved Growth £'000	Changes and Variations £'000	Prior Year Approved Savings £'000	New Savings £'000	2011-12 Projected Budget £'000	Prior Year Approved Growth £'000	Changes and Variations £'000	Prior Year Approved Savings £'000	Savings £'000	2012-13 Projected Budget £'000	Prior Year Approved Growth £'000	Changes and Variations £'000	Savings £'000	2013-14 Projected Budget £'000
<b>Funding Requirement - General Fund</b>															
<b>Service Areas (excluding Corporate Recharges and Capital Financing Costs)</b>															
Children's and Young People	73,320	-	7,362	(445)	(3,255)	76,982	-	(1,983)	-	(798)	74,201	-	(741)	(270)	73,190
Adults Culture and Community Services	95,159	1,240	4,402	(406)	(1,917)	98,478	60	2,819	-	(3,206)	98,151	(25)	2,485	(2,002)	98,609
Urban Environment	48,669	(1,308)	2,240	(1,826)	(963)	46,812	(149)	-	(221)	(217)	46,225	-	-	(216)	46,009
Sub-Total	217,148	(68)	14,004	(2,677)	(6,135)	222,272	(89)	836	(221)	(4,221)	218,577	(25)	1,744	(2,488)	217,808
<b>Corporate Services</b>															
Corporate Resources	33,526	(175)	200	(686)	(1,714)	31,151	-	-	(62)	(511)	30,578	-	-	(1,357)	29,221
People & Organisational Development	5,756	-	-	(143)	(837)	4,776	-	-	-	(125)	4,651	-	-	(130)	4,521
Policy, Performance, Partnership & Communication	6,315	-	-	(107)	(124)	6,084	-	-	-	-	6,084	-	-	-	6,084
Chief Executive	3,191	(300)	-	(1)	-	2,890	-	-	-	-	2,890	-	-	-	2,890
Non-Service Revenue	41,893	(97)	12,213	-	(3,754)	50,255	(114)	9,737	-	(5,257)	54,621	-	18,219	(1,700)	71,140
Sub-Total	90,681	(572)	12,413	(937)	(6,429)	95,156	(114)	9,737	(62)	(5,893)	98,824	-	18,219	(3,187)	113,856
<b>Total Funding Requirement</b>	<b>307,829</b>	<b>(640)</b>	<b>26,417</b>	<b>(3,614)</b>	<b>(12,564)</b>	<b>317,428</b>	<b>(203)</b>	<b>10,573</b>	<b>(283)</b>	<b>(10,114)</b>	<b>317,401</b>	<b>(25)</b>	<b>19,963</b>	<b>(5,675)</b>	<b>331,664</b>
<b>Funding Sources</b>															
Formula and Core Grants (excl DSG)	206,859	-	-	-	(26,914)	179,945	-	-	-	(11,900)	168,045	-	-	(3,500)	164,545
New Homes Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax	100,970	-	-	-	-	100,970	-	-	-	2,500	103,470	-	-	2,600	106,070
Council Tax Grant	-	-	-	-	2,524	2,524	-	-	-	-	2,524	-	-	-	2,524
<b>Total Available Funding</b>	<b>307,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,390)</b>	<b>283,439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,400)</b>	<b>274,039</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>273,139</b>
<b>Current Budget Shortfall</b>											<b>43,362</b>				<b>58,525</b>

New Revenue Investment Proposals

Ref	Directorate	Business Unit	Proposed Use of Investment & Justification (KPIs etc)	2011/12 over 2010/11		2012/13 over 2011/12		2013/14 over 2012/13		Total	Impact on Service / Performance	Priority
				£'000	£'000	£'000	£'000	£'000	£'000			
1	Adults Culture & Community Services	AC02 Adult Social Care Services	Reduced contributions from NHS - Haringey regarding Learning Disabilities service users.	695						695	The NHS fund a number of NHS Continuing Care packages and placements and part fund a number of establishments.	A Healthy Caring Haringey
2	Adults Culture & Community Services	AC02 Adult Social Care Services	Reduced contributions from NHS - Haringey regarding Mental Health service users.	383						383	As above	A Healthy Caring Haringey
3	Adults Culture & Community Services	AC02 Adult Social Care Services	Demographic pressures Mental Health. Increasing client numbers year on year have resulted in an uncontrollable pressure in 2009/10 and 2010/11.	556						556	Despite using prescribed pricing tools; managing the interface between health and social care Haringey attracts a high number of mental health users from inner city boroughs, coupled with the reduction in acute beds in the MHT and acute commissioning spend.	A Healthy Caring Haringey
4	Adults Culture & Community Services	AC02 Adult Social Care Services	Demographic pressures Older People. Increasing client numbers year on year have resulted in an uncontrollable pressure in 2009/10 and 2010/11.	455						455	In line with national trends and demographic pressures Haringey is experience growth in Older Peoples Services. Again, as for all client groups, despite the vigorous application of pricing tools a funding pressure has emerged over recent years.	A Healthy Caring Haringey
5	Adults Culture & Community Services	AC02 Adult Social Care Services	Demographic pressures Physical Disabilities. Increasing client numbers year on year have resulted in an uncontrollable pressure in 2009/10 and 2010/11. Additional growth is anticipated	466	244			169		879	As above (older people)	A Healthy Caring Haringey
6	Adults Culture & Community Services	AC02 Adult Social Care Services	Transition - To fund the increased needs of young people when they leave school or reach 18 in 2011-14. All client groups. A total of 184 children over 3 years. Assumes health income of £1.4m.	1,847	2,575			2,316		6,738	Without the transition growth we will be unable to fund the new cases coming through from CYPS to Adults services. The commissioning budget will significantly overspend particularly since these new cases tend to have very high needs and high spend attached. Although everything possible is done through the transition process to achieve good value for money prior to the transfer to adult services this does not negate the financial impact of these transition cases.	A Healthy Caring Haringey
<b>Adults Culture &amp; Community Services Total</b>				<b>4,402</b>	<b>2,819</b>			<b>2,485</b>		<b>9,706</b>		
7	Children & Young People	Children & Families	To fund the appropriate structures in Safeguarding and Support / First Response to enable the effective evaluation of children for care services.	715						715	Increase in costs necessary to accommodate the increased number of Children being referred and assessed for care services.	A Safer Haringey

New Revenue Investment Proposals

Ref	Directorate	Business Unit	Proposed Use of Investment & Justification (KPIs etc)	2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000	2013/14 over 2012/13 £'000	Total £'000	Impact on Service / Performance	Priority
8	Children & Young People	Children & Families	Demographic pressures - Looked after Children. The number of LAC has continued to increase above the number assumed in the base budget.	4,000	(1,983)	(741)	1,276	Necessary to cope with the full year effects of the current number of children in care. Future years' reductions dependent on successful management action.	A Safer Haringey
9	Children & Young People	Children & Families	An increase in the legal costs budget which is necessary to reflect an increasing children in care population due to increase in child care cases.	500			500	Volume increase in legal case work associated with the higher number of Children-in-Care. Delays in representing cases in court leads to higher costs and potentially worse outcomes for C+I-C.	A Safer Haringey
10	Children & Young People	Children & Families	This is necessary to fund a range of costs associated with families with children who have No Recourse to Public Funds as a result of their immigration	1,000			1,000	Establishment of base budget provision for group unsupported by grant. This group has no other means of supporting their families and therefore children are potentially at risk.	A Safer Haringey
11	Children & Young People	Children & Families	To fund client related expenditure in respect of homeless 16 and 17 year olds who must, following court judgement, receive services as a LAC.	301			301	To accommodate the on-going pressure in this area caused by the Southwark Judgement, which places an obligation on authorities to recognise this client group as being entitled to care services.	A Safer Haringey
12	Children & Young People	Children & Families	To provide the appropriate allowances for those looking after children as 'Special Guardians' as an alternative to other care arrangements.	521			521	To achieve more cost effective placement of children through the SG route rather than more expensive placement alternatives.	A Safer Haringey
13	Children & Young People	Children & Families	To fund the appropriate structures in the Children-in-Care Service to provide effective services for those children placed in care and ensure the best long term care solution is achieved.	325			325	Increase in costs necessary to accommodate the higher numbers of Children-in-care and the appropriate staff infrastructure.	A Safer Haringey
	<b>Children &amp; Young People Total</b>			<b>7,362</b>	<b>(1,983)</b>	<b>(741)</b>	<b>4,638</b>		
14	Corporate Resources	BLT	On going economic downturn could continue to place pressure on workload for the division, impacting on the performance of housing and council tax benefit days to pay. As in 2010 /11 additional resources may be needed to meet the pressures in 2011/12, if performance is to be maintained or improved. If economy picks up, may not be required 2012/13+	200	0	0	200	The last 7 months have seen a reduction in the combined Days to Pay for New Claims & Changes of Circumstances (NI 181), largely brought about by improvements in staff productivity, more efficient operational processes and the steady reduction in the build up of old outstanding claims. However the on going impact on our workload from the current economic climate and the need for us to undertake other proactive measures in running an efficient service (data matching, running of control reports, subsidy control & cleansing) continue to add to our pressures. Without additional resources, maintaining current performance, and achieving further improvements, is likely to be a challenge for the Service.	Delivering High Quality Efficient Services



New Revenue Investment Proposals

Ref	Directorate	Business Unit	Proposed Use of Investment & Justification (KPIs etc)	2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000	2013/14 over 2012/13 £'000	Total £'000	Impact on Service / Performance	Priority
	Corporate Resources Total			200	0	0	200		
15	Urban Environment	Housing & Strategy	Housing Subsidy Shortfall – changes to subsidy rules from this year and further changes from next year leading to shortfall in base budget.	2,200			2,200	The Housing Benefit Subsidy changes have created an underlying shortfall in the Council's income stream. Further changes will be implemented on the 1st April 2011. This balance will meet the gap that remains after all the cost cutting measures carried out by the Service. It will allow the Council to continue to discharge its statutory Homelessness duty to vulnerable clients.	A Healthy Caring Haringey
16	Urban Environment	Planning & Regeneration	North London Strategic Alliance - sub-regional working.	40			40	NLSA is working in partnership with north london boroughs to ensure improved and cost effective shared services.	Delivering High Quality Efficient Services.
	Urban Environment Total			2,240	0	0	2,240		
	Grand Total			14,204	836	1,744	16,784		

## Changes and Variations

Item	Potential / Known Budget Pressure	2011/12 over 2010/11		2012/13 over 2011/12		2013/14 over 2012/13		Total
		£'000	£'000	£'000	£'000	£'000	£'000	
1	Inflation	6,500	7,000		7,500			21,000
2	NLWA - additional cost of new facility				1,900			1,900
3	NWLA - Increase in Landfill Tax	1,500	1,500		1,500			4,500
4	Increase in cost of concessionary fares	2,500	500		500			3,500
5	Increase in London Pension Fund levy	61						61
6	Carbon reduction commitment	500						500
7	Increase in employers pension contributions	500						500
8	Council Tax Benefit - subsidy 10% reduction					4,000		4,000
9	Risks to future government funding and changes in the Welfare Benefits system		2,500			2,600		5,100
10	Single Status- outstanding settlements	1,000						1,000
11	Debt Financing Costs (net)	(348)	(1,763)			219		(1,892)
	<b>Changes and Variations Total</b>	<b>12,213</b>	<b>9,737</b>		<b>18,219</b>			<b>40,169</b>

London Borough Of Haringey  
Pre-Agreed Investments  
2011/12 to 2013/14

Appendix 5.1

Pre-Agreed Revenue Investments												
Ref	Directorate	Business Unit	Area / Service	As Agreed by Council			Planned Impact	Revised or Restated			Total Variance (Revised Agreed) £'000	
				2011/12 over 2010/11		Total		2011/12 over 2010/11		2013/14 over 2012/13		Total
				£'000	£'000	£'000		£'000	£'000	£'000		£'000
1	Adults, Culture & Community Service	AC02 Adult Social Care Services	LD Non Transition Growth	450		450	To meet the needs of new cases of people with learning disabilities as the population increases. Based on national population data.	377			377	73
2	Adults, Culture & Community Service	AC02 Adult Social Care Services	LD Transition growth	939	60	999	To fund the increased needs of young people at or when they leave school or reach 18 in 2010-11. There has been a high number of people with complex needs transferring from children's in this group.	939	60		999	0
3	Adults, Culture & Community Service	AC02 Adult Social Care Services AC03 Recreation Services	Sports and Leisure investment programme	1,389	60	1,449	Supporting loss of income during closure of Park Road during refurbishment.	1,316	60	0	1,376	73
4	Chief Executive's Service	AC03 Recreation Services CE Chief Executive and Electoral Services	One-off funding to cover the cost of local elections in 2010/11 for which no central govt funding is received.	(76)	0	(76)	The elections took place in May 2010 as planned	(76)	0	0	(76)	0
5	Corporate Resources	CR03 Corporate Finance / Audit	Accounting and Property Services Support for the Implementation of International Financial Reporting Standards (IFRS) to be implemented from 1 April 2010.	(50)		(50)	The resource was used to ensure that Haringey can comply with the requirements of IFRS which was implemented from 1/04/2010	(25)			(25)	(25)
6	Corporate Resources	CR03 Corporate Finance / Audit Total CR074 Information Technology CR074 Information Technology Total	Saving from tendering of Managed Service Provider (MSP) contracts, after one-off investment.	(150)	0	(150)	Reduction in IT contractual costs from Managed Service Providers	(150)	0	0	(150)	0
				(150)	0	(150)		(150)	0	0	(150)	0

London Borough Of Haringey  
Pre-Agreed Investments  
2011/12 to 2013/14

Appendix 5.1

Pre-Agreed Revenue Investments		As Agreed by Council		Revised or Restated		Total Variance (Revised/Agreed)		
Ref	Directorate	Business Unit	Area / Service	Planned Impact	Progress		Total	
				2011/12 over 2010/11	2012/13 over 2011/12	2013/14 over 2012/13		
7	Policy, Performance, Partnerships & Communications	PP04 Policy & Performance	To fund a comprehensive information function, with geographical information system (GIS) capability, for the Council & HSP. Enables enhanced needs analyses to inform service provision. Essential to meet CAA requirements.	4	4	0	0	4
		<b>PP04 Policy &amp; Performance Total</b>		4	4	0	0	4
8	Urban Environment	UE08 Frontline Services	Effective procurement of Public Realm Strategic Contract	(150)	(150)	(100)	(100)	(50)
		<b>UE08 Frontline Services Total</b>		(150)	(150)	(100)	(100)	(50)
9	Urban Environment	UE06 Strategic and Community Housing Services	Additional Resources to maintain momentum in Housing Improvement Plan	(250)	(250)	(250)	(250)	0
10	Urban Environment	UE06 Strategic and Community Housing Services	Private Sector Leasing Renewals	(694)	(694)	(694)	(694)	0
11	Urban Environment	UE06 Strategic and Community Housing Services	Rent Deposit Scheme	(264)	(89)	(264)	(89)	0
		<b>UE06 Strategic and Community Housing Services Total</b>		(1,208)	(89)	(1,208)	(89)	0
12	Urban Environment	UE09 Planning, Regeneration & Economy	To support and encourage Olympic activity and increase benefit to the borough of the Olympics.	(60)	(60)	(60)	(60)	0
13	Urban Environment	UE09 Planning, Regeneration & Economy	Extension of an existing Credit Union into Haringey, base services funded by area based grant, some additional investment required for other services such as pre-paid cards.	0	0	(25)	(25)	25

London Borough Of Haringey  
Pre-Agreed Investments  
2011/12 to 2013/14

Appendix 5.1

Pre-Agreed Revenue Investments													
Ref	Directorate	Business Unit	Area / Service	As Agreed by Council			Planned Impact	Progress	Revised or Restated			Total Variance (Revised Agreed)	
				2011/12 over 2010/11	2012/13 over 2011/12	Total			2011/12 over 2010/11	2012/13 over 2011/12	2013/14 over 2012/13		Total
		UE09 Planning, Regeneration & Economy Total		0	(60)	(60)			0	(60)	(25)	(85)	25
		Total		(541)	(89)	(630)			(543)	(89)	(25)	(657)	27
14	Alexandra Park & Palace	Alexandra Park & Palace	Ice Rink	-97	-114	-211			(97)	(114)		(211)	0
		Grand Total		(638)	(203)	(841)			(640)	(203)	(25)	(868)	27

London Borough of Haringey  
Pre-Agreed Savings  
2011/12 to 2013/14

Appendix 5.2

Pre-Agreed Revenue Efficiency Savings										
Ref	Directorate	Business Unit	Details of Efficiency	As Agreed by Council		Total	Progress	Revised or Restated		Variance (Revised - Agreed) £'000
				2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000			2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000	
1	Adults, Culture & Community Service	AC03 Recreation Services	Price increases - 5% above inflation spread over 2 years 2010/11 & 11/12.	125	125	125	Fees and charges benchmarking currently being undertaken, seeking to conclude and propose new schedule of charges by end of September 10 for inclusion in corporate performance report in Nov10.	125	125	0
2	Adults, Culture & Community Service	AC03 Recreation Services	Broadwater Farm Community Centre Refurbishment. The net saving includes cumulative additional running costs of £87k from 2010/11 to 2012/13.	18		18	18 linked to staffing efficiencies, through reshaping of programmed activity and staff requirements.	18		0
3	Adults, Culture & Community Service	AC04 Culture, Libraries & Adult Learning	Community programmes staff restructure.	40		40	40 FYE of 2010/11 saving. Achieved.	40		0
4	Adults, Culture & Community Service	AC04 Culture, Libraries & Adult Learning	Reconfiguration of Muswell Hill Library allowing extension of use of Radio Frequency Identification self issue system.	100		100	100 On target	100		0
5	Adults, Culture & Community Service	AC05 Commissioning & Strategic Services	Realignment of support services.	123		123	The Director of ACCS has agreed that this should be equally split between S&SS, Recreation and CLL. The SSS proportion is £41k and there are specific plans in place to achieve this saving.	123		0
	<b>Adults, Culture &amp; Community Service Total</b>			406	0	406		406	0	0
6	Chief Executive's Services	CE Chief Executive and Electoral Services	Deletion of a post in the secretariat.	1		1	This saving will be achieved.	1		0
	<b>Chief Executive's Services Total</b>			1	0	1		1	0	0
7	Policy, Performance, Partnerships & Communications	PP05 Communications	Eliminate Smart Talk design costs by switching to template system.	10		10	System now designed.	10		0
8	Policy, Performance, Partnerships & Communications	PP05 Communications	Design savings on council's overall MarComms outputs by using template system (over and above SFR savings).	40		40	Templates currently being created.	40		0
	<b>Policy, Performance, Partnerships &amp; Communications Total</b>			50	0	50		50	0	0
9	Corporate Resources	CR02 Benefits & Local Taxation	Savings in the costs of design, production & amendments to BLT documentation currently incurred through DSI of Gandlake, by using Laserserve software.	20	0	20	Project brief and business case being developed with revised consideration of supplier.	20	0	0

London Borough of Haringey  
Pre-Agreed Savings  
2011/12 to 2013/14

Appendix 5.2

Pre-Agreed Revenue Efficiency Savings		As Agreed by Council		Revised or Restated		Variance (Revised - Agreed) £'000			
Ref	Directorate	Business Unit	Details of Efficiency	2011/12 over 2010/11	2012/13 over 2011/12		2012/13 over 2011/12	2013/14 over 2012/13	Total £'000
10	Corporate Resources	CR02 Benefits & Local Taxation	Frontloading court costs (between Summons & Liability Orders) to recover these at an earlier stage & revise Customer Services procedures to minimise the number of summonses withdrawn.	50	0	50	0	50	0
11	Corporate Resources	CR03 Corporate Finance / Audit	The planned reshape/restructure of the whole business unit will ensure both the pre agreed savings for 07/08 and now these further savings are achieved in 2010/11.	15		15		15	0
12	Corporate Resources	CR03 Corporate Finance / Audit	Reconfiguration of cashier and payment services to customers.	65		65		65	0
13	Corporate Resources	CR04 Corporate Procurement	Alternative savings will be made across all budgets within the Procurement Service.	20		20		20	0
14	Corporate Resources	CR05 Property	Review of Commercial Portfolio and implementation of Manhattan with improved debt management.	30	30	0	30	30	0
15	Corporate Resources	CR05 Property	Commercial income - above inflation growth on income in future years.	33	32	33	32	65	0
16	Corporate Resources	CR05 Property	Additional fee income (Valuation / Development) Supporting regeneration projects not relating to Council Land.	10		10		10	0
17	Corporate Resources	CR05 Property	Homsey Town Hall – Operational staff reductions.	30		30		30	0
18	Corporate Resources	CR05 Property	Additional efficiencies following the letting of the planned & reactive maintenance works contract in Sept. 2008.	25		25		25	0
19	Corporate Resources	CR05 Property	Additional fee income from Staff car parking scheme.	5		5		5	0
20	Corporate Resources	CR05 Property	Savings resulting from further structural changes and a review of Administrative process following the reshaping.	20		20		20	0

London Borough of Haringey  
Pre-Agreed Savings  
2011/12 to 2013/14

Appendix 5.2

Pre-Agreed Revenue Efficiency Savings									
Ref	Directorate	Business Unit	Details of Efficiency	As Agreed by Council		Progress	Revised or Restated		Variance (Revised - Agreed) £'000
				2011/12 over 2010/11	2012/13 over 2011/12		2011/12 over 2010/11	2012/13 over 2011/12	
21	Corporate Resources	CR05 Property	Further savings through reduction in staffing levels supporting building related services.	88	88	88 Will achieve	88	88	0
22	Corporate Resources	CR05 Property	Reduced energy costs from the administrative building portfolio.	30	30	30 Will achieve	30	30	0
23	Corporate Resources	CR05 Property	Potential efficiency from the development of a shared helpdesk between Property & IT.	50	50	50 Will achieve	50	50	0
24	Corporate Resources	CR05 Property	Modernisation of the Office Cleaning Service.	20	20	20 Will achieve	20	20	0
25	Corporate Resources	CR06 Legal Services	2 in-house advocates in social care division. Saving to client by reducing spend on counsel.	30	30	The average cost of care cases has reduced and is reducing significantly as a consequence of efficiency measures taken by the social care team. This would ordinarily have shown the saving required or perhaps more had not demand increased significantly over the same period. Saving in cost per case has been achieved.	30	30	0
26	Corporate Resources	CR06 Legal Services	1 project lawyer in commercial division. Saving to client by reducing spend on external solicitors.	25	25	25 Staff is in post and has provided a saving for the council by taking on complex contract work and avoiding the usage of external solicitors. Although the level of commercial contract activity may reduce moving forward the saving should be met as part of the proposed centralisation of corporate legal services.	25	25	0
27	Corporate Resources	CR06 Legal Services	VFM review of non Corporate Legal Service (Registrars and Land Charges).	50	50	There will be a change of Head of Registrars and they will be involved in this project. Currently the two services are showing under spends projected at £20k year end each and this makes the prediction of slightly larger savings next year following a review realistic.	50	50	0
28	Corporate Resources	CR073 Customer Services	Reduction in sickness.	5	5	5 Results filtering through as a result of proactive management actions.	5	5	0
29	Corporate Resources	CR073 Customer Services	General efficiency (non replacement of vacancies).	50	50	50 Several vacancies have occurred and the posts have not been filled.	50	50	0
30	Corporate Resources	CR073 Customer Services	Right first time (process optimisation).	20	20	20 BPR is ongoing in high volume areas.	20	20	0
31	Corporate Resources	CR074 Information Technology	Merger of support functions.	25	25	25 Final tranche of pre-agreed savings - will be achieved for 2011/12.	25	25	0
32	Corporate Resources Total			686	62	748	686	62	0
	Children & Young People's Service	CY04 Business Support & Development	Student Support Service Mgt-Administration. Further reduction of Student Finance staff as front line services are nationalised.	83	83	83 Expected to be achieved.	83	83	0



London Borough of Haringey  
Pre-Agreed Savings  
2011/12 to 2013/14

Appendix 5.2

Pre-Agreed Revenue Efficiency Savings										
Ref	Directorate	Business Unit	Details of Efficiency	As Agreed by Council		Total	Progress	Revised or Restated		Variance (Revised - Agreed) £'000
				2011/12 over 2010/11	2012/13 over 2011/12			2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000	
33	Children & Young People's Service	CY02 Children & Families (including Safeguarding)	Costs allowable under revised regulations, in respect of SEN Transport have been charged against the DSG to release General Fund resources.	300	300	300	This is dependant on savings being identified within the DSG. At this stage it is expected to be achieved.	300		0
34	Children & Young People's Service	CY01 Change for Children (including Children's Networks)	Review of staffing levels & service efficiency within Children's Networks.	62	0	62	This will be achieved in the Play Service.	62	0	0
	<b>Children &amp; Young People's Service Total</b>			445	0	445		445	0	0
35	People & Organisational Development	PD02 Human Resources	Further review HR/OD service model for advisory & developmental delivery – work in partnership with others.	61		61	Savings to be achieved through service review and added into HESP savings review proposals/ targets.	61		0
36	People & Organisational Development	PD02 Human Resources	Savings to be found from rationalisation of non-salary spend across the whole of the Directorate.	2		2	As above	2		0
37	People & Organisational Development	PD03 Organisational Development	Service reshape and service reductions.	23		23	Savings to be achieved through SFR review of learning and development, change management etc and subsumed into HESP savings review proposals/ targets.	23		0
38	People & Organisational Development	PD04 Local Democracy	Deletion of 1 FTE Principal Committee Coordinator post by reduction of meetings.	40		40	The PBPR pre-agreed revenue savings totalling £57k are being covered by a full review of the service.	40		0
39	People & Organisational Development	PD04 Local Democracy	Review services and staffing.	17		17	As above	17		0
	<b>People &amp; Organisational Development Total</b>			143	0	143		143	0	0
40	Policy, Performance, Partnerships & Communications	PP04 Policy & Performance	Overall Policy & Performance (PP04) resources reviewed.	57		57	This saving is absorbed into the Support Functions review of Policy & Performance.	57		0
	<b>Policy, Performance, Partnerships &amp; Communications Total</b>			57	0	57		57	0	0
41	Urban Environment	UE08 Frontline Services	Integrated Waste Management & Transport Contract.	1,165		1,165	Procurement is on-going and at present savings target is expected to be met. Some savings may be achieved by reductions in vehicle costs recharged to other Departments.	1,165		0
42	Urban Environment	UE08 Frontline Services	Additional income to be generated through the Parking Plan.	150		150	Parking income is at present well short of the budget target, although actions to increase income have been developed these are in the process of being considered.	300	0	0
43	Urban Environment	UE08 Frontline Services	Spend to save. Replacement of illuminated bollards with solar powered bollards.	33		33	This saving was linked to a capital bid in 2010-11 that was rejected - hence the revenue saving cannot be achieved.	0		33

London Borough of Haringey  
Pre-Agreed Savings  
2011/12 to 2013/14

Appendix 5.2

Pre-Agreed Revenue Efficiency Savings											
Ref	Directorate	Business Unit	Details of Efficiency	As Agreed by Council			Revised or Restated			Variance (Revised - Agreed) £'000	
				2011/12 over 2010/11	2012/13 over 2011/12	Total	2011/12 over 2010/11 £'000	2012/13 over 2011/12 £'000	2013/14 over 2012/13 £'000		
44	Urban Environment	UE06 Strategic and Community Housing Services	Housing - Reduce Temporary Staff / Reduce Agency Staff / Review Number of Posts.	311		311	311			311	0
45	Urban Environment	UE06 Strategic and Community Housing Services	Estimated saving from release of additional staff brought in to achieve 2 star service and relocation of Housing Services from Apex Hse to RPH where post & facilities mgt functions are provided corporately.		221	221		221		221	0
46	Urban Environment	UE09 Planning, Regeneration & Economy	Reduced legal expenditure( both internal and External).	10		10	10			10	0
47	Urban Environment	UE09 Planning, Regeneration & Economy	Increased Pre application planning fees.	10		10	10			10	0
48	Urban Environment	UE09 Planning, Regeneration & Economy	Review physical regeneration team as part of the 2nd phase of restructuring.	30		30	30			30	0
<b>Urban Environment Total</b>				1,709	371	2,080	1,826	221	0	2,047	33
<b>Grand Total</b>				3,497	433	3,930	3,614	283	0	3,897	33

# Haringey Efficiency and Savings Programme

Detailed Efficiency & Saving proposal		Chief Executive				Appendix 6	
Directorate/Service Area		2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
<b>People and Organisational Development Service/ Policy, Performance, Partnerships and Communication/ Chief Executive</b>							
1	HR and OD&L <b>Review of HR services</b> - to determine a revised service offer that will deliver the support and service that the organisation needs to manage its people resource within the constraints of a reduced and limited cash budget.	259	-	-	259	HR service is critical to ensuring that the Council manages people change. The future service will be focussed on enabling this change.	EIA screening tool
2	HR and OD&L <b>Review of OD&amp;L</b> -The review of Organisational Development activity will aim to improve the OD Service Offer to the council in the context of the need for savings and efficiencies.	187	60	80	327	OD service to focus on helping the Council manage change in a period of transition.	EIA screening tool
3	Human Resources <b>Apprenticeships &amp; Trainees</b> - cessation of corporate scheme	165	-	-	165	The current labour market is proving sufficient to provide staff.	Yes
4	Chief Executive's Service <b>CE projects budget - reduce by 25%</b>	17	-	-	17	Improved corporate planning of spend across the authority should reduce the need to fund one-off projects by the Chief Executive and should not impact on delivery.	No
5	Policy and Performance <b>Cease Equalities Events Funding</b>	47	-	-	47	Events will need to be delivered through alternative routes such as the Third Sector.	No
6	Policy and Performance <b>Review of Customer Focus budget within Policy &amp; Performance</b> - a phased reduction to allow the development of customer insight.	117	-	-	117	Activity around the Wow awards will cease along with the subscription to the Institute of Customer Service. An internal staff recognition scheme will be developed to recognise staff achievements.	No
7	Secretariat <b>Review of secretariat</b> - reduce staffing and associated running expenses	45	-	-	45	This is the secretarial support for the Chief Executive's services which will be managed.	No
8	Policy and Performance <b>Review central feedback function</b> - proposals to amend current corporate complaints procedure and centralise the handling of Members enquiries etc. linked to an upgrade of the 'Respond' database	-	65	50	115	A review of the process for managing feedback will allow the reduction to be managed.	Yes
9	Communications and Consultation <b>Review of Translation &amp; Interpretation Service</b> - re-assess balance between in-house and external service provision	124	-	-	124	Alternative models of delivery will ensure that a service remains available where it is required.	Yes
<b>POD/PPPC/CE Total</b>		<b>961</b>	<b>125</b>	<b>130</b>	<b>1,216</b>		
<b>Corporate Resources</b>							
10	Corporate Property <b>Reduce Corporate Landlord and Repairs and Maintenance</b> - This will reduce the Maintenance and Repair spend on both Operational and Commercial properties within the Council's Portfolio	70	-	-	70	Reduction on non-urgent priority repairs and maintenance undertaken. Impact on services minimised through prioritisation.	No
11	Corporate Property <b>Reduce Facilities Management specification</b> - amongst other measures, this will remove the free vend facilities for staff and replace with pay vend.	50	-	-	50	Impact on staff, Members and visitors as no free vend refreshments will be available. Pay vend will be the only facility available.	No
12	Corporate Property <b>Corporate management of property efficiency and Service Reduction</b> This proposal aims to release further efficiencies by extending Corporate Management of Property (CMP) and reduce the level of general advice and readily available provision of in-house services.	120	-	-	120	Reduction in general advice and in-house level of valuation, commercial and asset management support to Members and Directorates in relation to major projects, acquisitions and disposals. Work requests will be subjected to priority and rationing as well as extended response times.	No
13	Corporate Property <b>Reduction in Building Maintenance</b> This proposal is in two parts; 1. Reduce or stop maintaining the current buildings portfolio unless it is a statutory requirement, health and safety risk or essential to keep the services operational. 2. Reduce the maintenance budget on the basis that the number of service operations buildings (libraries, leisure centres, day centres, community centres, museums etc) is reduced in the medium term.	150	125	125	400	Whilst every effort will be made to prioritise repairs and maintain building compliance (not necessarily fitness for purpose). Some disruption to occupying services and building closures is likely. A reduction will increase decay and reduce the opportunity for Carbon Reduction measures. Increased risk of dilapidation claims for leasehold obligations. A reduction in this budget means that there will be less available for savings put forward by other Departments relating to building reductions including through the accommodation strategy.	EIA screening tool
14	Corporate Property <b>Reduction in Soft Facilities management</b> 1. reduce the level of office related services provided to employees, councillors, visitors and customers by removing or reducing such activities as reception, meeting room support, post delivery, visitor management. 2. reduce the soft FM budget on the basis that there will be fewer offices and office users to support in the medium term (removal of at least one major office building).	150	-	-	150	Reduction in service levels will impact on occupying services with more self help required. This to include room bookings/ID/stationery management and building support. This will impact negatively on the productivity of other staff.	No

## Haragey Efficiency and Savings Programme

## Appendix 6

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
15	Corporate Property <b>Reduction in Office Accommodation</b> This proposal is to continue implementation of the accommodation plan by seeking opportunities to further intensify the use of space thereby further reduce the retained portfolio.	1,200		1,200	1,200	Options for further savings can be based on reductions in the size of the Council's workforce. Removing one of the large buildings would release circa £1.2 million subject to being able to dispose or surrender/assign the lease. It is emphasised that this is a medium term proposal based on staff reduction and the figure stated is a full effect once all premises holding costs have been removed. Loss of space and facilities with potential impact on business efficiency, customer service and loss of flexibility. This will impact on Customers with fewer locations and service points.	No
16	Corporate Property <b>Savings on Security costs at Customer Service Centre's</b>		11	32	43	Review of Security Contract	Yes
17	Corporate Finance <b>Haragey Payments Service -close Thursday evenings &amp; Saturdays</b>	18	-	-	18	The front line cashiers' office has now been closed on Saturday mornings and late nights on a Thursday. Both of these sessions had fewer transactions than normal working hours and has not, so far, appeared to result in any marked diminution of service provision.	No
18	Corporate Property <b>Increase Staff car parking Charges</b> - This proposal is to increase the level of staff car parking charges.	15	-	-	15	Reduction in staff benefit. This will also be affected by any reduced designated essential users.	EIA screening tool
19	Corporate Property <b>Open staff car parks in evening and at weekends - External Hire</b>	6	-	-	6	Impact on staff parking income minimised by hire outside of office hours.	No
20	IT <b>IT Service implement Value for Money (phase 2)</b>	300	-	-	300	Aligns IT Services with the outcome of the IT Value for Money SFR and the delivery of the IT Strategy 2010-13 agreed at Cabinet; 80 staff are impacted although the number of deleted posts will be lower	EIA screening tool
21	Legal <b>Centralise Legal budgets and Managed demand</b>	40	105		145	Reduction of administration costs in terms of managing a trading account and reduction of legal costs through demand management	No
22	BLT <b>HB overpayment recovery project</b> -The Benefits and Local Taxation Service are responsible for the recovery of Housing Benefit Overpayments(HBOP). The income achieved by overpayment recovery is additional income to the Council. It is proposed by investing in additional resource to this area, that income can be multiplied.	274	-	-	274	No impact	No
23	Customer Contact <b>Integration of Customer and Benefits and Local Taxation Services</b> to provide both a phase one approach to implementation of the revised customer contact operating model and a tactical solution that focuses on handling customer enquires at the first point of contact.	521	270	-	791	Positive impact on performance, customer satisfaction and activity based cost.	Yes
	<b>CR Total</b>	<b>1,714</b>	<b>511</b>	<b>1,357</b>	<b>3,582</b>		
	<b>CROSS COUNCIL</b>						
24	Council wide <b>Reduction in the use of Mobile Phones</b> • To achieve a reduction in total mobile call charges (percentage to be defined by further investigation) • To establish clear eligibility criteria for mobile phone allocation and polices for mobile phone usage. • To enable central enforcement of mobile phone usage	150	-	-	150	No impact on service performance anticipated - mobile phones will still be allocated to staff where clear eligibility criteria exist to meet service needs.	No
25	ICT Efficiencies <b>ICT Efficiencies</b> The purpose of this initiative is to generate additional savings in ICT from contract negotiations over and above the pre-agreed savings already targeted in this area.			150	150	As well as continuing the current work to negotiate reductions in existing IT contract costs, this initiative also involves working with Business Units to determine whether functionality currently provided in their Business IT systems can be removed, thereby reducing further contractual costs.	No
26	Cross Cutting <b>Procurement and Account Payable Process</b> -To centralise the goods and supplies procurement process (including invoice processing) with the aim of achieving efficiency and cashable savings.	312	104		416	There will be no adverse impact on performance. The main risk centres around resourcing high workloads in Q4 of each financial year.	No

## Haringey Efficiency and Savings Programme

Haringey Efficiency and Savings Programme						Appendix 6	
Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
27	Cross Cutting  Financial management Consolidation and process efficiencies To review and re-engineer the financial management service provided by the Council's finance function and put in place a new centralised finance structure that will deliver the agreed service and savings .	1,769	603	-	2,372	The savings that are planned from this review will be achieved by reducing the number of staff employed by the Council undertaking financial management and related activities. To ensure that the Council's financial management regime is not unduly compromised, budget holders will be expected to take more responsibility for this activity, interacting directly with the Council's general ledger (SAP).	EIA screening tool
28	Customer Contact  Programme to shift customers to online transactions -. The programme will establish the costs, benefits and risks involved in establishing a revised operating model for customer contact that is streamlined and targeted to produce efficiencies	500	500	-	1,000	An analysis has been carried out of staffing resources deployed on customer contact across the Council, together with an analysis of contact volumes through different channels. This work has identified a number of areas with high staff numbers and high contacts in both "back" and "front" offices, particularly in BLT and Parking. Options are being developed to take forward the redesign and streamlining of these services to implement a significant increase in self service via the web and a reduction in other more expensive channels such as face to face and telephone contact.	Yes
29	Paybill efficiencies  Review contractual terms and Conditions of employment		2,500		2,500	Any review of employment terms will seek to reach consensual change via a collective agreement.	Yes
30	Human Resources  Improve health & safety co-ordination	133	100	-	233	Merge corporate and schools H&S teams	No
31	Smart Working Phase 2/Flexible working  Reduction in retained office accommodation - This Efficiency Programme initiative aims to further reduce the retained office space by reducing demand and increasing the density of use of the office space through more intensive use of workstations and the reduction of office based working.	-	150	250	400	Delivery of existing target on accommodation strategy and SMART working through rationalising the office space, reduction in buildings and changes in working practices	No
32	Spans of control and delayering  Review seeks to identify a reduction in management posts across the organisation by providing benchmark spans of control ratios.	400	1,000	1,100	2,500	The review will ensure that management roles are clearly defined thus minimising risks associated with reductions in numbers.	Yes
33	Cross Council Subjective Expenditure Reviews  A series of subjective expenditure reviews will be carried out to look at the overall activity undertaken by the council and identify the scope for delivering efficiencies by reducing expenditure, improving processes, achieving economies by bringing similar activities together across different directorates, eliminating duplication.	490	300	200	990	Reviews will be carried out under the VFM framework developed to examine cross council expenditure. The work will entail analysing financial information located in SAP; the protocol and processes in place and the current existing contracts. Initial reviews will be carried out in Learning and Training, Travel expenses and car allowances, subscriptions to other organisations, catering and project management fees. It is proposed that an ongoing programme of reviews is developed that will feed into future budget setting processes.	No
<b>Total CROSS COUNCIL Adult, Culture and Community Services</b>		<b>3,754</b>	<b>5,257</b>	<b>1,700</b>	<b>10,711</b>		
34	Recreation Services  Implement in year price increase .This project seeks to increase the charges for recreation services by 5.5% in year to provide for additional income from 1st January 2011.	100	-	-	100	Potential reduction in throughput and related income. To be mitigated by varying increase across different activities/facilities and taking account of other LA/provider comparison	Yes
35	Recreation Services  Reduce Parks Support - To reduce the use of consultants in Parks Service and review /reduce the operational support structure from 2011/12.	18	-	-	18	Reduced improvement capacity	No
36	Recreation Services  Allotment fee increases - full cost recovery. The average size of a plot is 5 poles (125square meters). The proposed increase will represent an additional cost to a plot holder (who do not receive a discount) of about £9.00 per annum, and £22.75 for non residents.	22	-	-	22	User take up/use of facility	
37	Culture and Libraries  ICT efficiencies and library staffing - We have renegotiated the costs of our library management system and will also be making staffing efficiencies in libraries, at Bruce Castle museum and in the archives service.	384	-	-	384	The impact on library service users will be negligible. With particular reference to the staffing reductions at Bruce Castle and Archives these payroll efficiencies may result in some reductions in opening hours at the museum and in the archives search room but we will keep any reduction to a minimum.	No

## Haringey Efficiency and Savings Programme

## Appendix 6

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
38 Recreation Services	<b>Reduce Recreation Development Team:</b> This proposal is to reduce the Recreation Services development team by 2 ftes with effect from 1 April 2011 in order to produce an efficiency saving	71	-	-	71	Unit's ability to attract/secure external funding and progress both open space and leisure development projects	No
39 Recreation Services	<b>Tottenham Green Leisure Centre</b> - Reduction of Reception Cover as a result of introducing ticketing software. Following an embedding period it is anticipated that customers will make a shift in the way they access the leisure centre by using online bookings and self service kiosks. From April 2011 it will therefore be possible to reduce the cover in reception by the equivalent of 1 FTE post. This will be achieved through a reduction in cover hours no longer required.	27	-	-	27	User take up/use of facility	Yes
40 Recreation Services	<b>Review of Parks Management.</b> This project seeks to identify the future service options for the delivery of a Parks Management Service. The project will include Grounds Maintenance management of Parks. Consideration of the future Green Flag programme will be needed. Will need to take account of services/SLAs/trading with HfH and Urban Environment.	90	-	-	90	Reduced operational management capacity/cover. Will require formal process with employees and trade union representatives	EIA screening tool
41 Recreation Services	<b>Energy Consumption reduction</b>	49	50	-	99	Sports and Leisure are working with Corporate Procurement (Energy Management) to contribute to the Council's carbon management plan reduction targets. A number of schemes have been implemented and are leading to reduced utilities consumptions and costs.	No
42 Adults & Commissioning	<b>Cease ACCS trainee Social Worker scheme.</b> We ceased having any more social worker trainees over one year ago. The implementation of personalisation needs a different type of worker and not necessarily a qualified social worker. Most Boroughs stopped funding social work trainee schemes many years ago. Adult Services needs in terms of the social care assessment are different to the statutory role of the Children's social worker, we have much less statutory work. We have no recruitment issues.	37	-	-	37	Low impact	No
43 Adults & Commissioning	<b>Close Woodside Day Centre</b> - Woodside offers a specialist day centre service for approximately 45 vulnerable older people with mental health problems. Monday to Friday. All service users access the service via centre based disabled access transport. It is situated beside a children's nursery with which it has some links. It is a good service. The Woodside centre is a traditional wood framed building with relatively high maintenance costs. It has the smallest external space of all the day centres and lowest levels of independent customer satisfaction. In January 2009 the Care Quality Commission (CQC) inspection said that whilst our services for older, vulnerable people were good, they commented that they were rather traditional outlook		149		149	Medium impact as this is a specialist service with little similar provision currently within the Borough. Reprovision will be by review/reassessment with possible reprovision in other Older People's or Mental Health in-house or external day care services, or by Personal Budgets where appropriate.	Yes
44 Adults & Commissioning	<b>Cease Funding for Elderly and Disability Project</b> - The Cypriot Centre offers culturally specific day care for Greek and Turkish Cypriot older people and people with physical disabilities. The Council currently has placed 34 service users on a spot purchase basis. The service also provides care and support for people from outside the Borough, in particular Enfield. This is a voluntary organisation with it's own management committee. The Council seconds 2 members of staff to manage the service in partnership with the Cypriot Centre. The proposal is to withdraw the 2 secondees and funding for the same. The project could continue without our input but the management committee would need to consider how they wanted to replace the management function.	94			94	Low impact for service users as the service should be unaffected by this proposal	EIA screening tool

# Haringey Efficiency and Savings Programme

Haringey Efficiency and Savings Programme						Appendix 6		
Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required	
45 Adults & Commissioning	Close or reconfigure all drop in centres for older people - There are 4 Council funded drop in centres for Older People; Abyssinia Court, Willoughby Road, The Irish Centre and Woodside House (separate building from Woodside Day Centre). The drop in centres are used solely by people who do not meet threshold into care services criteria; Substantial and Critical, and are seen as a preventative service. Their main function is to provide social contact and activities for the users. They are "walk in", non-assessed services which are not charged for. Service users purchase lunch (subsidised) if they wish through the Meals on Wheels contract. These centres also provide some 800 basic foot care sessions per year at no cost to service users. Some of the users with mobility problems are assisted to attend by use of day centre transport, utilising spare capacity within our centre based transport service.	181			181	Medium-high impact as this proposal will eliminate the last of the preventative in-house provider services for older people. Low service user impact beyond withdrawal of the foot care service.	Yes	
46 Adults & Commissioning	Cease Salary Contribution to Jackson's Lane Luncheon Club A well established (early 1980's) luncheon club/arts club for older people which is based in Jackson's Lane Art Centre. This is not a Council service. The Council contributes £10.3k towards the cost of a part time worker who is employed by Jackson's Lane. It is a non-assessed "walk in" service. Service users pay for their meals through the Arts Centre restaurant. A proportion of service users live out of borough as this Centre is on the Borough boundary.	10			10	Medium impact. The future of the service will depend on decisions made by the Jackson's Lane Board and in the wider context of Arts Council funding changes. These older people are not assessed as requiring an adult social care service.	Yes	
47 Adults & Commissioning	Close an Older People's Residential Care Home. There are 3 in house residential homes for Older People in the Borough. This proposal is to close The Red House Residential Home (West Green Road). The Red House is a 34 bed home which provides a service to physically frail older people (17 beds) and also older people with dementia (17 beds). It is rated as Good by CQC (Care Quality Commission). However, this home is being proposed for closure as it has a higher unit cost than its direct comparator Cranwood. In addition, though refurbished, the building is relatively less suitable for purpose and has the least good external grounds.	-	78	792	714	High impact. The risk can be mitigated by detailed consultation and adjusting the timescale for the closure to allow for psychological adjustment to the change. All residents and their family/carers would have to be fully consulted for the statutory minimum of 90 days after which a considered decision can be made by Members. Following a final decision, and if necessary, individual care reviews would take place to establish the most appropriate form of care provision for the remaining individuals going forward, for example this must be alternative residential care, nursing home care, NHS Continuing Care and Extra Care	Yes	
48 Adults & Commissioning	Close In house Home care Service /Create Reablement Service. The proposal is to close the in-house home care service which is a small, good quality, but relatively expensive service offering personal care to vulnerable adults: mainly vulnerable older people post hospital discharge (75% of referral rate). It is quality rated as Good by CQC. Two thirds of our personal home care service is commissioned from the independent sector and has been for many years. All of our externally purchased home care provision is also quality rated by CQC as Good. However, it is a very expensive service in comparison to all of our externally commissioned home care due to Local Authority pay and conditions. At approximately £36.00 per hour it is more than double the amount that our externally commissioned home care costs. As this is such a small, good quality but expensive service our view is to close and change this service to focus on reablement, which needs to be provided by an in house team.	100	1,162		1,062	Medium impact to service users. 75% of current in house home care service users only stay in the service for 6 weeks and are then passed to an external provider for long term care. The remaining 25% will be reviewed and passed to an external service of equivalent quality, following appropriate transition arrangements.	Yes	
49 Adults & Commissioning	Introduction of reablement service for all new referrals All new referrals to Adult Social Care to receive a period of reablement prior to completing the Self Directed Care pathway. It has been demonstrated that having a period of reablement, prior to agreeing a longer term package/personal budget, results in a lower cash value service being provided than might otherwise have been agreed.	224	647		871	High impact. The value of the efficiency is directly linked to the numbers of people passing through the care system. Moderate risk. The model is based on national figures and, while likely to generate the levels of savings indicated, the model is national based model and may not equally apply to the Haringey demographic profile.	Yes	

Haringey Efficiency and Savings Programme

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
50 Adults & Commissioning	<p><b>Reduce Older People's Placement budget following Introduction of Extra Care</b> Extra Care is a direct alternative to residential care in the main for vulnerable older people but for very vulnerable older adults (say 55+) with a mental health, dementia or learning/physical disability or substance use problem. Extra Care schemes means that whilst people can have their own 'front-door' which affords them a greater level of dignity and respect. There is 24 hour care available and with a personal budget this means that an older vulnerable person can have intensive care, but not have to move in to an institutionalised residential care environment. People's care will be funded through a combination of adult commissioning budget, housing benefit and central government benefits: Attendance Allowance and such like. Overall, this is a positive move: good quality, Value for Money (VfM) care enhancing life opportunities and outcomes such as improved health and well-being; greater choice and control and greater dignity and respect. There are two schemes that will go live in the next two years:</p> <ul style="list-style-type: none"> <li>• The Trees – operated by Hill Homes – 40 units in total due to open February 2011. This scheme is a direct alternative to residential care in the main for vulnerable older people but for very vulnerable older adults (say 55+) with a mental health, dementia or learning/physical disability or substance use problem.</li> <li>• Roden Court – operated by One Housing – 40 units in total, due to open May 2012; and</li> <li>• The possibility of the conversion of Protheroe House to an Extra Care Scheme in the future.</li> </ul>	304	304	-	608	Low	Yes
51 Adults & Commissioning	<p><b>Close Whitehall Residential Home for people with learning difficulties</b> - Whitehall Street residential and respite home is a fifteen bed unit which offers 11 residential beds and 4 respite beds for people with learning disabilities. The proposal is to re-provide this service to enable people through personal and individual budgets to access more ordinary living options. The move from institutionalised care to supported living arrangements offers residents; improved choice, flexibility, freedom and control, whilst offering greater value for money with the added benefit of access to housing benefits. At present the cost of an individual bed at this unit is 1,500/week. Through supporting living arrangements it is estimated to be an average cost of £850/week to adult social care.</p>	36	273	-	237	Low to Medium.	Yes
52 Adults & Commissioning	<p><b>Close mental health day care centre</b> The proposal is to close one of our adult mental health day centres and use personal and individual budgets to offer the opportunities currently provided there such as: art, music classes etc. via adult education or training, alternative employment environment. This service is for younger adult people with mental health issues, so it is even more important to offer care and support when people need it in the most appropriate and 'normalised' environment.</p>	-	81	-	81	Medium impact. 684 Centre acts as a stabilising influence in the lives of many of its service users. Some service users may receive an alternative service at the Clarendon Centre. However, this service is approximately 25% externally funded (ABG and Health) and could not continue if these funding streams were withdrawn.	Yes
53 Adults & Commissioning	<p><b>Remaining OP Residential Home</b> - Closure of the remaining 2 Older People's residential homes. Cranwood is a 33 bed home and Broadwater Lodge is a 45 bed home. The principles for closure are the same as the proposal to close The Red House in Phase 1 of the efficiency programme.</p>	-	100	1,200	1,100	High impact. The risk can be mitigated by detailed consultation and adjusting the timescale for the closure to allow for psychological adjustment to the change. All residents and their family/carers would have to be fully consulted for the statutory minimum of 90 days after which a considered decision can be made by Members. Following a final decision, and if necessary, individual care reviews would take place to establish the most appropriate form of care provision for the remaining individuals going forward. A new 70 bed residential care unit is due to open in the near future in Tottenham. In addition, increasing numbers of extra care housing properties will be coming on stream over the next 3 years. It is anticipated that it is possible to compensate for the loss of 112 Council beds within the independent sector.	Yes



# Haringey Efficiency and Savings Programme

## Appendix 6

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
54 Adults & Commissioning	<b>Mental Health Unit Closure Alexandra Road</b> - This is a 24/7, 365 days/year service to provide care and support to people with mental health problems who are in crisis and people usually stay there for a maximum of one week. It is an alternative to hospital care and provides a crisis service to 8 people when at full capacity.		128	10	138	Medium impact: Alexandra Road acts as a stabilising influence in the lives of many of its service users who are in crisis. Closing this service will result in a probable increase in hospital admissions. This service is jointly funded by NHS Haringey who are withdrawing funding. Council will not be able to afford to continue this service.	Yes
55 Adults & Commissioning	<b>Remaining OP day centre closures</b> - The two Older People's day centres affected are The Haven and Grange. The Haven provides a good quality specialist support to 50 older people with physical disability/sensory impairment. The closure of this service will be replaced by implementation of personal budgets as appropriate and/or an increase in community care packages including home care and meals on wheels.  The Haynes and Grange day centres would be combined on the Haynes site, thus providing staffing efficiencies but with no reduction in service. The Grange provides a service for 40 people with dementia in the east of the borough and the Haynes centre provides a similar service to people in the west of the borough. The Haynes Centre is a brand new state of the art centre, attached to the Hornsey Health Centre. It currently operates at 62% capacity.	20	254		234	High impact. To close both the Haven and Woodside day centres will result in a complete loss of non-dementia day services for older people.	Yes
56 Adults & Commissioning	<b>Further staffing Efficiencies</b> - This saving comprises a number of staffing restructures including deletion of the Independent Chair of Safeguarding and a number of operational posts within front line services and assessment and care management.	182	182		364	Medium impact: Reductions in frontline staffing resources will have a direct impact on performance indicators to include waiting times for an assessment and the provision of services.	Yes
57 Adults & Commissioning	<b>Equipment and OT reductions</b> - A 10% reduction in Occupational Therapists and associated equipment expenditure.		154		154	Medium impact: Reduction in front line assessment capacity has a direct impact on performance in terms of waiting times for an assessment and service delivery. Reduction in the numbers of people benefiting from community equipment in line with the staffing reductions.	Yes
58 Adults & Commissioning	<b>Increase Adult Services Fees and Charges</b> - to increase charges for internal residential care, adjust the Fairer Contribution Policy Disability Related Expenditure (DRE) Disregard, amend the treatment of Adult Care Placements and to remove the weekly maximum Fairer Charging cap	280			280	No impact on service performance anticipated. However, the volume of full charge payers may reduce causing a reduction in charges raised and therefore income collected.	Yes
<b>ACCS Total</b>		<b>1,917</b>	<b>3,206</b>	<b>2,002</b>	<b>7,125</b>		
<b>Children and Young People's Service</b>							
59 School standards & improvement	<b>School Standards &amp; Inclusion Service</b> - The SSI has been a key part of the improvement to schools (and other settings) securing year on year improvement in the attainment of pupils. The White Paper 'The Importance of Teaching' makes clear that it is schools themselves who will be solely responsible for this in the future. The only role for the local authority will be to 'police' the progress of schools and trigger intervention where schools fail to make progress. Much of staffing in SSI has been paid for by grants (which cease or move to individual school budgets in 2011) or traded income with schools. Discussions with schools has not suggested wholesale buy-back of a central service and reduction is therefore appropriate. The proposal is for a small Core Group of staff to provide the monitoring required by the legislation.	299	-	-	299	The government has made it clear that schools will take responsibility for school improvement. The residual local authority role will be to 'police' the progress of schools and to trigger intervention where schools fail to make progress.	Yes

## Haringey Efficiency and Savings Programme

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
60 Children and Families	<b>Transport</b> - This service provides transport to predominately SEN pupils, which is a statutory service. Over £2.1m savings have been secured in the last 3 years. This further saving will come from the re-negotiation of certain terms and conditions that were agreed as part of the single status arrangements, procurement efficiencies and changing collection points and some vehicles.	50	50	-	100	The contracts are currently being re-commissioned for 2011/12. In addition, some specification changes and cost-saving measures are being consulted on and implemented for April 2011, most notably: - Changes to the collection points for SEN pupils; - Introduction of larger coaches on some routes; - Review of escort : pupil ratios - Changes to terms and conditions of escort workers. Careful differentiation of pupils able to make more independent journeys to school by accessing collection points will take place, supporting their development of independence skills as they grow toward school leaving age. Vulnerable children will not be asked to make any journey that compromises their safety.	Yes
61 Business Support & Development	<b>Catering</b> - The Catering service can be run in a more cost effective way through the re-negotiation of certain terms and conditions that were agreed as part of the single status arrangements	50	100	150		As a traded service, Catering is always at risk of schools choosing alternative providers. It is also particularly vulnerable to commodity prices. This activity will not reduce the quality of service delivery to schools and pupils.	Yes
62 Children and Families	<b>Children and Families Administration Review</b> - A review of administrative support functions in line with other similar activities across the Council. This will be sensitive to the need to continue support to social workers to avoid reducing time spent in casework with children and their families.	100	200	270	570	This leads to an overall reduction of 8 financial administration posts and 10.5 administrative posts. These are not posts in direct support of social workers doing casework with children and families and will be taken over a 3 year period. Achieving these savings will require changes in the way in which administrative services are configured and the level of expectation on administrative support	Yes
63 Children's Network Management	<b>Children's Network Management</b> - The changes in services being provided through the Children's network business Unit allows the release of a senior manager	82	11	-	93	Redevelopment of management arrangements within the Networks and the prevention 7 Early Intervention Business Unit mean that we can more efficiently allocate management responsibilities and free up an existing post. There is no significant impact and no risk associated with this move	Yes
64 Children's Networks	<b>Participation</b> - This service provides for effective involvement of children & young people in development, delivery and evaluation of the services that affect their lives. In the future, this will be led by a reduced team to deliver key participation work, coordinating better the work of many services across the council and its partners. Key core components such as the Youth Council and Children in Care Council will continue together with other work commissioned in response to specific events/needs. Better joining up with partners will provide a wide range of opportunities.	172	25	-	197	This delivery model requires that all services working with children & young people take responsibility for facilitating participation and recognise it as part of their core business. In addition, the new arrangements will better coordinate the widest range of participation activities across the partnership, including those run by the NHS, Police and VCS.	Yes
65 Children's Networks	<b>Connexions</b> - The proposal is for a 75% reduction in provision, protecting services for the most vulnerable young people. A re-focusing of work through schools will ensure the most vulnerable identified at the earliest opportunity.	1,436	206	-	1,642	The government has announced potential changes in the requirement to provide Information, Advice & Guidance (IAG) as a universal service in the near future. Given the reduction already made to the ABG, and the likelihood of further reductions as the ABG becomes incorporated with the Formula Grant and not ring-fenced, reduction in the Connexions Service is unavoidable. A reduced Connexions service may result in an increasing number of young people not in Education, Employment or Training after the age of 16+.	Yes

## Haringey Efficiency and Savings Programme

Detailed Efficiency & Saving proposal						Appendix 6		
Directorate/Service Area	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required		
66 Business Support & Development	129	18		147	Cuts in Business Support and Development taking account of the winding up of the business unit and of other management changes across the directorate – reducing PA posts from six to three.	Yes		
67 Business Support & Development	209	111		320	The BSD business unit is being decommissioned. Residual functions will be combined with central support services or relocated elsewhere in the directorate	Yes		
68 Business Support & Development	39	6		45	The current proposal is a one post reduction. Most staff engaged on capital schemes are funded from those schemes and the size of the team varies according to the size of the capital programme. Further efficiencies may in future result from sharing capital delivery resources across the council and with other authorities	Yes		
69 Business Support & Development	129			129	As a traded service, schools can choose to use other providers. Should the customer base change, the service will be re-engineered to fit the future income.	Yes		
70 Business Support & Development	53	4		57	This item is achievable because the childcare sufficiency assessment will not need fully updating for three years.	Yes		
71 Business Support & Development	44	-		44	Schools will need to procure support from other providers. Some residual functions will be carried out by corporate ICT and other staff in the directorate.	Yes		
72 Behaviour and Inclusion	119	17		136	This proposal will allow for a sharper focus on work with teenage parents and the children of teenage parents as part of our Public Health responsibilities.	Yes		
73 Behaviour and Inclusion	186	27		213	It is proposed that this team will cease to exist from April 2011. The intention is that schools are now in a position to maintain support to Traveller and Gypsy/Roma students without additional support.  The aspect of the work undertaken with Traveller, Gypsy and Roma students with the strongest safeguarding implications is ensuring school attendance. This will continue to be the responsibility of the designated Education Welfare Officer, and also of the Education Welfare Service more broadly.	Yes		
74 Behaviour and Inclusion	158	23		181	The proposal is to reorganise these into a single cross phase support team, consisting of staff with multi-disciplinary experience that will work closely with our Pupil Support Centres and other services to maximise support to vulnerable children and young people. We will also maximise the new facilities in secondary schools to reduce exclusion and improve behaviour management. <ul style="list-style-type: none"> <li>• If there is an increase in referrals from schools, the service will need to prioritise in a different way.</li> <li>• Children that meet the threshold for support may have to wait longer for a service.</li> <li>• Failure to embed this work in schools could see a rise and the demand for PRU provision, which remains a statutory obligation on the Council.</li> </ul>	Yes		

## Haringey Efficiency and Savings Programme

Directorate/Service Area	Detailed Efficiency & Saving proposal	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Impact on Performance (Service Delivery)	Equality Impact Assessment Required
<b>CYPS Total</b>		<b>3,255</b>	<b>798</b>	<b>270</b>	<b>4,323</b>		
<b>Urban Environment</b>							
75	Review of Trading Standards - reduction in administration and management together with cessation of food sampling.	100			100	Efficiency saving with no anticipated impact on service	Yes
76	Reduction in noise complaint service provision - cessation of out of hours response service and withdrawal of police support at weekends.	80			80	Reduction in service provision with potential for increased number of complaints.	Yes
77	Noise complaints - reduction in extra patrols/extended response times	50			50	Further increase in service user dissatisfaction. Response will be limited to monitoring and witnessing rather than intervention.	Yes
78	Noise complaints - out of hours surveillance only	50			50	Reduction in service if grant funding is reduced or withdrawn.	Yes
79	Air quality monitoring - reduction in sampling to match grant funding.	20			20		Yes
80	Trading standards inspection programme - reduce under age sales surveillance and investigation of counterfeiting.	50			50	potential increase in under age sales and counterfeiting.	Yes
81	Street enforcement - planned operations limited to normal working hours.	50			50	Potential increased non compliance out of hours.	Yes
82	Increase FPNs smoking enforcement - to include smoking in commercial vehicles	10			10	This is contrary to government guidance although permissible in law but may result in a backlash from commercial vehicle operatives.	Yes
83	Street enforcement - ward sharing	85			85	Less on street enforcement	Yes
84	Remove support for Greenest Borough Strategy board & programme	35			35	Efficiency saving with no anticipated impact on service At this stage the final shape of the restructure is not known but the front line impact will be minimised by focusing on management and back office functions as far as possible. This will mean a reduced ability to take on additional projects and service improvement initiatives.	Yes
85	Cross Service Restructure - Achieving reductions in the cost of management of Temporary accommodation and other staffing	433	217	216	866		Yes
<b>UE Total</b>	<b>Total for approval</b>	<b>12,564</b>	<b>10,114</b>	<b>5,675</b>	<b>28,353</b>		

Capital Bids For Corporate Resources Funding 2011/12 to 2013/14

Item	Directorate	Business Unit	Capital Project Title	Recommended For Acceptance					Net Total Revenue Implications											
				2011-12	2012-13	2013-14	Total Internal Funding	Estimated Total Project Cost	2011-12	2012-13	2013-14	Total								
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000							
1	Adults Culture & Community Services	Adult Social Care Services	Aids & adaptations for the homes of people with disabilities. Includes £1m to replace HFH capital reduction for adaptations on council properties.	700			700	1,536												
2	Adults Culture & Community Services	Recreation Services	Landship Recreation Ground - redesign and redevelop the ground (match funding against Heritage Lottery Fund £3.8M award).	200			200	4,873												
3	Adults Culture & Community Services	Recreation Services	Strategic Sports Pitches Improvement Programme - improve quality of sports and outdoor pitches, to be vired to Lordship project, part of revised match funding.	350			350	350												
4	Adults Culture & Community Services	Recreation Services	Tennis Court Refurbishment Programme - match funding to Lawn Tennis Association grant of £150k for Bruce Castle Park.	58			58	205												
5	Adults Culture & Community Services	Recreation Services	Tree Planting - to maintain and increase existing tree stocks in parks and housing estates	30			30	60												
	<b>Adults Culture &amp; Community Services Total</b>			1,338	0	0	1,338	7,024			0	0	0	0						
6	Alexandra Park and Palace Charitable Trust	Alexandra Park and Palace Charitable Trust	Works to rectify dilapidations & back log maintenance on buildings	500			500	500												
	<b>Alexandra Park and Palace Charitable Trust Total</b>			500			500	500												
7	Children & Young People's Service	Business Support & Development	Corporate Resources support for the Building Schools for the Future Programme			1,500	1,500	13,959												
8	Children & Young People's Service	Business Support & Development	Schools Capital Modernisation		2,283		2,283	2,283												
	<b>Children &amp; Young People's Service Total</b>			0	2,283	1,500	3,783	16,242			0	0	0	0						
9	Corporate Resources	Information Technology	IT Capital Program - funding for business IT projects as agreed by the Corporate IT Board	750			750	1,750												
10	Corporate Resources	Property	Repairs & improvements for the operational and community buildings portfolio	750		750	750	2,250												
11	Corporate Resources	Property	Monroe Industrial Units - rebuilding works after fire, bid for additional resources to support insurance monies.	250			250	250												

Item	Directorate	Business Unit	Capital Project Title	Recommended For Acceptance						Net Total Revenue Implications						
				2011-12 £'000	2012-13 £'000	2013-14 £'000	Total Internal Funding £'000	Estimated Total Project Cost £'000	2011-12 £'000	2012-13 £'000	2013-14 £'000	Total £'000				
	<b>Corporate Resources Total</b>			1,750	1,250	1,250	4,250	4,250	0	0	0	0	0			
12	Urban Environment	Frontline Services	Energy Saving Measures in designated Low Carbon Zone (20 year payback period)	500			500	500								
13	Urban Environment	Frontline Services	Planned road and pavement major repairs and resurfacing	1,300	1,300	1,300	3,900	3,900								
14	Urban Environment	Frontline Services	Street lighting replacement programme	800	800	800	2,400	2,400								
15	Urban Environment	Frontline Services	Local road safety improvements responsive to accident stats													
16	Urban Environment	Frontline Services	Bridges and other structures - high priority health & safety works	200	200	200	600	600								
17	Urban Environment	Frontline Services	Drainage / Flood Relief - improvements to gullies and gutter in worst affected areas of borough.													
18	Urban Environment	Frontline Services	Parking Plan - to maintain and renew lines and signs and implement new parking schemes	600	600	600	1,800	1,800								
19	Urban Environment	Frontline Services	Redevelopment of Cranford Way site as Reuse & Recycling centre	900			900	900								
20	Urban Environment	Planning, Regeneration & Economy	Tottenham Gyrotory - Council support towards replacing the one-way system to two way.		1,500		1,500	25,000								
21	Urban Environment	Strategic and Community Housing Services	Works in default that can not be recovered	50			50	50								
	<b>Urban Environment Total</b>			4,350	4,400	2,900	11,650	35,150	0	0	0	0	0			
22	Urban Environment-HRA	Strategic and Community Housing Services	Retained hostels borough wide - bring 11 up to DH standards	1,000			1,000	1,000								
23	Urban Environment-HRA	Strategic and Community Housing Services	Affordable Housing - funding pot to invest in new schemes - Approx 25-30 units	850			850	850								
24	Urban Environment-HRA	Strategic and Community Housing Services	Transferable Discount Scheme - to decrease mismatch of persons and units	100			100	100								
25	Urban Environment-HRA	Strategic and Community Housing Services	Major Works - Voids and Extensions	100			100	100								
	<b>Urban Environment-HRA Total</b>			2,050	0	0	2,050	2,050	0	0	0	0	0			
	<b>Total</b>			9,988	7,933	5,650	23,571	65,216	0	0	0	0	0			

Item	Directorate	Business Unit	Capital Project Title	Recommended For Acceptance					Net Total Revenue Implications			
				2011-12	2012-13	2013-14	Total Internal Funding	Estimated Total Project Cost	2011-12	2012-13	2013-14	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Schemes not competing for Capital Receipts (indicative numbers)

26	Corporate Resources	Property	Phase 2 of Accommodation Strategy which further rationalises office accommodation and supports the Transformation Programme via Smart Working. Provision is also included for essential health and safety works.	1,370	1,430	0	2,800	2,800	-100	-440	-630	-1,170
27	Corporate Resources	Property	Hornsey Town Hall refurbishment to bring back into community use (linked to sale and development of adjoining land)	7,116	4,852	0	11,968	11,968				0
	<b>Corporate Resources Total</b>			8,486	6,282	0	14,768	14,768	-100	-440	-630	-1,170
	<b>Total</b>			8,486	6,282	0	14,768	14,768	-100	-440	-630	-1,170
	<b>Items 1 to 27</b>	<b>Overall Grand Total</b>		18,474	14,215	5,650	38,339	79,984	-100	-440	-630	-1,170