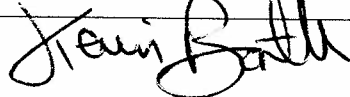




Haringey Council

Report for:	Cabinet 20 th December 2011	Item number	To be added by the Committee Section
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Title:	Financial Planning 2012-13 to 2014-15
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Report authorised by :	 for Director of Corporate Resources
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Lead Officer:	Kevin Bartle – Assistant Director of Finance kevin.bartle@haringey.gov.uk Telephone 020 8489 5972
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Ward(s) affected: All	Report for Key/Non Key Decision: Key
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1. Purpose of the report

- 1.1 To provide a Medium Term Financial Plan [MTFP] covering the next three years to March 2015, with a revised assessment 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
 - The overall level of savings that have been and still need to be identified to give a balanced, sustainable budget over the medium term planning period.
- 1.2 To consider the Cabinet's proposed budget package for 2012-13 and later years.

2. Introduction by the Cabinet Member for Finance and Carbon Reduction – Councillor Joe Goldberg

- 2.1 Last year's spending review saw local government budgets hit harder than any other part of the public sector by the Coalition's austerity measures. In Haringey, the settlement has been particularly tough, and the effect of the Secretary of State's decision has been to reduce our 'spending power' some thirty times more than authorities such as Dorset.
- 2.2 The £84m we are now required to remove from our budgets over three years, equivalent to £3 in every £10 we spent in 2010, has led to the loss of a number of valued council services and some of these changes are undoubtedly having a significant impact on the lives of our residents. As a council, we have also had to lose many capable and skilled members of staff.
- 2.3 We have now identified proposals to find all but some £7m of the £84m needed by 2014.
- 2.4 As ever, we remain committed to protecting frontline services by taking a greater scale of cuts from back office functions such as IT, finance, communications and policy. However it would be wrong to pretend we can maintain the same breadth and depth of services on such reduced funding support, and where frontline services are being hit we want to be sure we are not hurting the most vulnerable and that there are viable alternatives for people in the community.
- 2.5 In setting the budget this year I am conscious of the challenges facing the borough. Tottenham is now the constituency with the highest unemployment in London and unemployment is also increasing to



worrying levels across Hornsey and Wood Green. Inequality in the Borough is also increasing and we are seeing an increase in child poverty. Since May 2010, some 60 new benefit claims a day are being made in our customer service offices. We have a serious shortage of housing and there is a need to support the social and physical regeneration of many parts of the borough.

- 2.6 Last year I stated that I thought the Government was cutting the deficit too far, and too fast, not just because of the impact on local services, but for the impact I thought it would have on the national and local economy. I still remain concerned about this but I am absolutely determined to find solutions and resources to tackle these challenges despite our reduced resources.
- 2.7 We as a council do not have all the answers but we are blessed with great people who share our passion for taking Haringey forward, and our ambition for the Better Society.
- 2.8 We are engaging with residents and businesses in a consultation exercise designed to convey the scale of the challenges facing the Borough and its communities, and the Council's determination to create and exploit opportunities to create a better future for Haringey in the face of unprecedented financial austerity.

3. Recommendations

3.1 Cabinet is recommended:

- a) To note the recommendations of the Overview and Scrutiny Committee on the chosen three themes of the draft revenue proposals agreed at the Cabinet's meeting on 4th October 2011 [paragraphs 7.9 to 7.12 and Appendix 7];
- b) To note the consultation responses received to date on the draft revenue proposals agreed at the Cabinet's meeting on 4th October 2011; [paragraphs 7.1 to 7.8 and Appendix 8];
- c) To note the implications for the Council of the Provisional Local Government Finance Settlement 2012-13 [paragraphs 8.4 to 8.31 and Appendix 4];
- d)
 - i. to agree the indicative level of the Dedicated Schools Grant (DSG) for 2012-13 [paragraph 12.3]
 - ii. to note an expected Pupil Premium allocation of £10.1m [paragraph 12.4]



- iii. to agree the approach to universal grants and targeted grants set out in paragraph 12.5;
 - iv. to endorse the treatment of the one off allocation of £522k in 2012-13 [paragraph 12.7];
 - v. to note the intention of the Schools Forum to consult and to propose changes to the Formula following consultation [paragraph 12.8];
 - vi. to agree the funding of the items set out in paragraph 12.10 from the available headroom;
 - vii. to agree the approach to the use of headroom set out in paragraph 12.12
- e) To note the changes in the financial management of the HRA from 1st April 2012 [paragraphs 2.1 to 2.5 of Appendix 5];
- f) To note the background to the Stock Options Appraisal [paragraphs 3.1 to 3.7 of Appendix 5];
- g) To note the proposed housing rent increases set out in paragraphs 4.1 to 4.10 of Appendix 5 which are subject to consultation;
- h) To note the proposed tenants' service charges set out in paragraphs 5.1 to 5.3 of Appendix 5 which are subject to consultation;
- i) To agree the methodology to be used to separate the outstanding debt on 1st April 2012 between the HRA and the General Fund. [paragraphs 6.1 to 6.8 of Appendix 5];
- j) To approve the draft HRA Budget 2012-13 and MTFP 2012-15 for recommendation to the Council at its meeting in February 2012. [paragraphs 7.1 to 7.7, Appendix 5]
- k) To approve draft proposals to be recommended to the Council at its meeting in February 2012 for the Council's Capital Programme for the period 2012-15, [paragraph 14 and Appendix 6];
- l) To note that the Cabinet at its meeting in February will assess the need to make additional proposals for the MTFP 2012-15 to be recommended to the Council for approval in the light of circumstances at that time;



- m) To approve draft proposals, to be recommended to the Council at its meeting in February 2012 for the Council's MTFP 2012-15 [appendices 1, 2 and 3];
- n) To note that savings still have to be identified to deliver a balanced budget in 2013-14.

4. Other options considered

- 4.1 The report proposes the Cabinet should consider draft proposals to deliver a balanced and sustainable MTFP 2012-15.
- 4.2 This is considered to be a prudent approach in the light of the experience of last year's process, together with the unprecedented scale of savings required as a consequence of the government's current public sector expenditure plans and the continuing increases in demand for the Council's services.

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 financial resources are allocated effectively to underpin the delivery of the Council's priorities and performance standards.
- 5.2 This process culminates in the annual review and approval of the Council's Budget and three year MTFP, which reflect not only the Council's own priorities but also contributes to the wider Sustainable Community Strategy delivered in conjunction with the Haringey Strategic Partnership.
- 5.3 In February 2011 the Council approved its Budget 2011-12 and MTFP 2011-14. The current year's budget was balanced through the approval of an unprecedented savings programme totalling some £41m. However, the overall MTFP at that stage showed planned spending exceeding our anticipated resources by some £21m over the period 2012-14.
- 5.4 Since then Cabinet has undertaken an intensive exercise designed to reduce planned spending and to review all key assumptions underpinning our forecasts of spending and resources. Cabinet received reports at its meetings in July and October 2011 and made decisions to change a number of assumptions and to approve in principle a range of further reductions in planned spending.



- 5.5 Table 1, below shows the changes in the overall shortfall from February 2011 through to the changes agreed by the Cabinet at its meetings in July and October 2011.

Table 1	2012-13 £m	2013-14 £m	TOTAL £m
1 MTFP shortfall at February 2011	-6.8	-14.5	-21.3
2 Re-programming of savings	-2.3	-1.3	-3.6
3 Revisions to assumptions	5.3	0.6	5.9
4 MTFP shortfall at July 2011	-3.8	-15.2	-19.0
5 Revisions to assumptions	-0.5	0.9	0.4
6 New savings proposals	5.4	6.7	12.1
MTFP surplus (+) / shortfall (-) at			
7 October 2011	1.1	-7.6	-6.5

- 5.6 The Overview and Scrutiny Committee has conducted its budget scrutiny through 'three themes' drawn from the Cabinet's draft proposals. Further detail is included at paragraphs 7.9 - 7.12.
- 5.7 The Overview and Scrutiny Committee's recommendations are included in Appendix 7.
- 5.8 The Chancellor of the Exchequer made his annual Autumn Statement on 29th November. A summary of key issues is set out at paragraphs 8.1 to 8.3.
- 5.9 The Secretary of State for Communities and Local Government announced the Provisional Local Government Finance settlement 2012-13 on 8th December 2011 and has invited responses by 16th January 2012. The Council will be submitting a response. Further detail is set out at paragraphs 8.4 to 8.32 and Appendix 4. The final settlement is expected later in January 2012.
- 5.10 At this stage the Cabinet's draft MTFP 2012-15 proposals are based on the provisional Local Government Finance Settlement. There is a possibility the Cabinet may need to revise its proposals in the light of the final settlement.



5.11 This report proposes a draft budget package for the three year planning period to 2015 and is in nine sections:

- Strategic Approach (paragraph 6)
- Consultation and Scrutiny (paragraph 7)
- Financial Resources (paragraph 8)
- Budget pressures (paragraph 9)
- Budget and MTFP Revenue proposals (paragraph 10)
- Risks and Opportunities (paragraph 11)
- Dedicated Schools Grant [DSG] (paragraph 12)
- Housing Revenue Account (paragraph 13)
- Capital Programme (paragraph 14)

5.12 The detailed assumptions that support the proposed MTFP are set out below and in the appendices.

6 Strategic Approach

- 6.1 The government has established a programme of public spending reductions, set out in its Spending Review of 2010 which includes average funding reductions of 29% for local authorities over the four years 2011-15. In addition the government has embarked on a range of far-reaching changes across the public sector landscape, details of which have been reported to the Cabinet over the last 18 months.
- 6.2 For Haringey, the consequence of the Spending Review was the need to identify reductions in planned spending of some £84m by 2014. Savings totaling over £62m by 2014 were identified and approved in February 2011, £41m of which was included in the Council's revenue budget for 2011-12.
- 6.3 The identification of spending reductions has been informed by the clear vision for the kind of Borough the Council wants to create and also by seeking to ensure the Council's priorities are delivered and the aspirations of residents fulfilled as far as possible.
- 6.4 Since February the Cabinet has set in place an intensive programme to identify proposals to address the remaining anticipated funding shortfall of some £21m. Additional proposals were agreed in principle by the Cabinet in October 2011 for review by the Overview and Scrutiny Committee through consideration of the three themes and for external consultation.
- 6.5 These proposals, together with revisions to assumptions and some re-programming of savings agreed in July 2011 result in a potential



budget surplus for 2012-13 of some £1m and a budget shortfall of £7.7m for 2013-14.

- 6.6 In noting these revenue financial forecasts at its meeting in October 2011, the Cabinet did not make any specific financial planning assumptions for 2014-15, in light of a lack of definitive information and uncertainties yet to be resolved by government. However the Cabinet expected financial austerity to continue to prevail in 2014-15.
- 6.7 The Cabinet agreed to consider further at this meeting the revenue budget proposals for 2012-13 and the MTFP 2012-15 informed by responses to the scrutiny review and external consultation.
- 6.8 This report and recommendations have also been informed by the latest information and planning assumptions in the light of government announcements since October (notably the Chancellor's Autumn Statement of 29th November and the Provisional Local Government Finance Settlement 2012-13 announced on 8th December) and changes in local circumstances.
- 6.9 This report also makes recommendations for the Council's Capital Programme 2012-15, including schemes to be funded within the Housing Revenue Account.

7 Consultation and Scrutiny

Consultation

- 7.1 The Council informed, consulted and engaged residents and businesses during November and December 2011, and the consultation will continue into January 2012.
- 7.2 The consultation was undertaken using both an online and paper questionnaire which included factual information about the council's budget and its services. In addition a number of public meetings were held, led by Councillor Goldberg, Cabinet Member for Finance and Carbon Reduction. A senior Finance Officer also attended each meeting and presented key financial detail to inform discussion and to support Councillor Goldberg in answering questions. Staff from the Communications team also attended to take notes.

Public Meetings

- 7.3 Seven meetings have been held to date; two more will follow in January 2012.



- 7.4 119 questions were asked at the consultation meetings up to and including 5th December, which are being analysed and further detail will be reported to the Cabinet in February 2012.

Questionnaire responses

- 7.5 A summary of the key responses and comments is set out in Appendix 8.
- 7.6 The questionnaire sought to establish respondents' degree of support for an increase in the Council Tax in 2012-13. Of the total of 47 respondents to this question, 55% would not support an increase; 36% would support an increase in Council Tax in 2012-13. The remaining 9% neither support nor do not support an increase.

Next steps

- 7.7 The consultation feedback to date will be further analysed, together with the additional feedback expected over the remainder of the consultation period, which continues into January 2012.
- 7.8 The Cabinet will consider its response to the consultation feedback at its meeting on 7th February 2012, prior to determining its recommendations on the Budget 2012-13 and MTFP 2012-15 to the Council for its meeting on 20th February 2012.

Scrutiny

- 7.9 Following the Governance review a new Protocol for Budget Scrutiny has been implemented. As part of this protocol the responsibility of budget scrutiny was delegated to a Panel of five Members of the Committee, drawn from both parties and chaired by an Opposition Member.
- 7.10 The Panel chose three themes for Budget Scrutiny (CO2 reduction, Temporary Accommodation and Homelessness and Looked after Children and associated Legal costs).
- 7.11 The protocol requires that, once ratified by the Overview and Scrutiny Committee the Panel's recommendations will be reported to Cabinet who will then set out whether recommendations will be taken forward as per the protocol.



- 7.12 The recommendations agreed by the Overview and Scrutiny Committee at its meeting on 12th December 2011 are set out in Appendix 7. The Cabinet will agree its responses to those recommendations at its meeting on 7th February 2012.

8 Financial Resources

The Autumn Statement

- 8.1 The Autumn Statement sets out actions the government will take to ensure it continues to meet its fiscal targets and protect the economy.
- 8.2 The Chancellor of the Exchequer made his annual Autumn Statement on 29th November. He noted the UK economy is recovering from the biggest financial crisis in generations, the government's plans to reduce the deficit set out in the June 2010 Budget, and the series of financial shocks since then which have significantly weakened the economic and fiscal outlook.
- 8.3 Key announcements affecting local government include:
- Spending savings will be used to fund a programme of investment in national infrastructure projects;
 - Further spending reductions of 0.9% in both 2015-16 and 2016-17;
 - An additional £600m to support local authorities with the greatest pressure on available school places – no details are yet available on how that funding will be allocated
 - A public sector pay cap of an average of 1% for the two years from 2013-14; although local government pay is not directly affected by this the Chancellor indicated 'local government budgets will be adjusted accordingly'

The Local Government Provisional Finance Settlement 2012-13

- 8.4 The government's shorter term plans for local authority funding were set out in the Local Government Provisional Finance Settlement 2012-13, announced on 8th December 2011, which determines how much grant the government will give to each local authority in England in 2012-13. Details of the provisional settlement, which is now subject to a formal consultation period which ends on 16th January 2012, are summarised below.
- 8.5 The government has confirmed it is moving ahead with introducing arrangements for Council Tax referenda under powers set out in the Localism Act 2011. For authorities such as Haringey, the government



is minded to propose the approval of the local electorate will be required before the council can increase its Council Tax for 2012-13 by more than 3.5%.

8.6 As noted by the Cabinet in February 2011, the Council now has five main streams of revenue financial resources:

- Formula Grant
- Core Grants
- Council Tax
- One off use of Reserves
- Fees and Charges

Formula Grant

- 8.7 The financial year 2012-13 is the second year of the four year period addressed by the Spending Review 2010 and also the second year of the two year Local Government Finance Settlement announced in December 2010. Accordingly this year's provisional Local Government Finance Settlement, as expected, largely confirmed the indicative funding for 2012-13 announced a year earlier.
- 8.8 The basic provisional Formula grant allocations are exactly the same as those announced in February 2011.
- 8.9 The government has introduced no changes to the complex 'four block' distribution methodology nor to the capping of grant losses through a 'Grant Floor' mechanism. As in 2011-12, the government has deployed the concept of councils' 'spending power' which is made up of Formula Grant and other government grants, NHS support for health and social care, and council tax receipts.
- 8.10 The key figures and comparisons with the assumptions that underpinned the MTFP 2011-14 as approved by Council in February 2011 are shown in Table 2 below, and further detail is set out in Appendix 4.



Table 2	2012-13 £m	2013-14 £m
Council MTFP assumption – February 2011		
o Formula Grant	141.221	137.721
o Council Tax Freeze Grant re 2011-12	2.530	2.530
Total	143.751	140.251
Provisional settlement – December 2011	143.784	N/A
Change	+0.033	N/A

- 8.11 For 2012-13 the government has ‘rolled up’ Council Tax Freeze Grant into Formula Grant. The figures shown above are still provisional and may change in the Final Settlement in January 2012. Any significant change would be a risk to the proposals presented in this report. The increase of £33k shown above relates to the Council Tax Freeze Grant element. See also paragraph 8.21.
- 8.12 Looking further ahead the government has consulted on wide ranging changes to the funding mechanisms for local government from 2013-14. The proposals would allow councils to retain growth or lose reductions in their business rates base subject to some limits and referenced to a baseline from April 2013 – thus providing, the government claims, an incentive for each council to grow its business tax base. This would end the current arrangements for national pooling and formula allocation of general [Formula] grant comprising Revenue Support Grant and Business Rates.
- 8.13 In its response the Council noted there are a number of key uncertainties and a lack of sufficiently robust data which result in us being unable to forecast accurately the implications for Haringey at this stage. This adds even more uncertainty into our financial plans. The Cabinet needs to be additionally prudent and be aware the Council may need to make greater cuts than currently assumed to its planned spending from 2013-14.
- 8.14 The proposals also seem to loosen the link between needs and resources. Haringey’s response therefore reserved the Council’s judgement on the government’s proposals until such time as the government provides detailed data and scenarios that illustrate the potential implications at individual council level of the range of options put forward for consultation. The response also suggested the government may wish to defer implementation to a date later than April 2013.

- 8.15 The government has indicated it will be setting out its response to its consultation proposals shortly.

Core Grants

- 8.16 The provisional Grant Settlement also set out details of (most) of the following 'core' grants:
- Early Intervention Grant
 - Public Health
 - Learning Disabilities
 - New Homes Bonus
 - Council Tax Freeze Grant
 - Housing Benefit and Council Tax Benefit Administration grant
 - Dedicated Schools Grant [DSG] - see paragraph 12
 - Preventing Homelessness
 - NHS grant to support care and benefit health
 - Rights to Free Travel
 - Housing Growth
 - Local Flood Grant
- 8.17 Further detail on some of these is set out below, and the latest confirmed or assumed figures for each of these is shown at Appendix 4.
- 8.18 Overall the latest announcements result in an increase in grant in 2012-13 of £1.170m compared to the assumptions made in the report to the Council in February 2011. Some key points are highlighted below.
- 8.19 There is a reduction of £244k in 2011-12 and a potential gain of £485k in 2012-13 in New Homes Bonus Grant compared with our previous MTFP assumptions. The projected figure has been included in the planning assumptions.
- 8.20 The government has confirmed Councils that freeze or reduce tax in 2012-13 will receive additional **one-off** funding equivalent to raising their 2011-12 Council Tax by 2.5%. This is in addition to the funding provided in the Spending Review for the four years 2011-15, in respect of the freezing of Council Tax in 2011-12.
- 8.21 The Cabinet will consider the implications of this for Haringey at its meeting in February 2012 and make recommendations to the Council.
- 8.22 Furthermore, as noted above at paragraph 8.5, the Localism Act 2011



gives the public the right to veto excessive Council Tax rises from April 2012. Councils that set tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum of all registered local electors in their area. For 2012-13 the ceiling for authorities such as Haringey is an increase of 3.5%.

Housing Benefit and Council Tax Benefit

- 8.23 As previously reported to Cabinet, the government is making changes to the welfare system. A key proposal is the abolition of the current Council Tax Benefit [CTB] scheme, to be replaced by a new scheme whereby each local authority would receive un-ring fenced special grant based on 2012-13 expenditure and a reduction of 10% in funding for those residents who are currently entitled to benefit.
- 8.24 The government is committed to protecting some groups, in particular low income pensioners. Based on Haringey's current CTB caseloads a 10% reduction in funding equates to some £4m of pressure on the revenue budget.
- 8.25 Under current arrangements, local authorities receive a specific grant to meet the cost of administering both Housing and Council Tax Benefit, which is based on caseloads. The Welfare Reform Bill proposes to centralise the administration and payment of the Housing Benefit scheme which will clearly impact on the level of administrative support available to local authorities to administer the proposed local CTB schemes.
- 8.26 The government has announced a reduction in 2012-13 of £176k to £3.347m and this loss has been factored into the financial plan.
- 8.27 Furthermore, if the proposed changes in Council Tax Benefit localisation and Housing Benefit take place from April 2013 local authorities will lose the element of current specific grant for Housing Benefit administration. It is not clear yet how the funding for administration of the proposed local schemes for Council Tax Benefit will work. The potential impacts of this from 2013-14 are currently unknown.

NHS grant to support care and benefit health

- 8.28 On 20th October 2010 the Chancellor announced the 2010 Spending Review. In recognition of the pressures on the social care system the government allocated an additional £2bn by 2014-15 to support the delivery of social care. That figure included up to £1bn by 2014-15 to be transferred by the NHS from the health capital budget to health



Haringey Council

revenue, to be spent on measures that support social care, which also benefit health.

- 8.29 The government expects local authorities and the NHS to work together to agree how this funding should be best used to support social care services.
- 8.30 In 2011-12, London Borough of Haringey expects to receive £2.970m from the NHS through the arrangement set out above. For 2012-13 the latest information indicates £2.830m. There is no information available for future years other than the national control totals show a rising trajectory to £1bn by 2014-15. The MTFP assumption for 2013-14 and 2014-15 is currently prudently set at £1.4m.
- 8.31 The Department of Health on 25th October 2011 confirmed the announcement of **provisional** 2012-13 allocations and stated that the allocations for 2013-14 and 2014-15 have not yet been announced. At this stage, therefore, it is not proposed to change the Council's current assumptions.

Council Tax

- 8.32 The Council will consider the Cabinet's MTFP and Budget recommendations at its meeting in February 2012, and will determine the level of Council Tax for the financial year 2012-13 at that meeting.

Reserves

- 8.33 The Cabinet will consider the need for and level of both specific and general financial reserves at its meeting on 7th February 2012.

Fees and Charges

- 8.34 A separate report will be considered by the Cabinet on 7th February 2012 setting out the outcomes of a review of, and making recommendations to increase fees and charges across all service areas for 2012-13.

9 Budget pressures

Inflation

- 9.1 As noted in the report to the Cabinet in October 2011, it is necessary to monitor the Council's planning assumptions regarding inflation.
- 9.2 As a result, it is now proposed to increase the inflation provision for



energy costs by £1.3m for 2012-13 over the previous assumption, as a result of the latest actual and anticipated increases in energy prices.

Concessionary Fares

- 9.3 As noted in October, an increase in the costs of Concessionary Fares in 2012-13 has been anticipated. In the light of the latest information a further increase of £300k, increasing the additional provision to £800k, in the forecast would be prudent.

Adult Social Care and Housing directorate

- 9.4 There are a number of potential budget risks in 2012-13 relating to Care Purchasing and Continuing Health Care Transfers from Health. The scale and likelihood of these risks are such that it is expected any resultant costs can be managed within the directorate's cash limit in 2012-13 at this stage.
- 9.5 The Community Housing Service has successfully re-negotiated rental prices paid to temporary accommodation suppliers to enable them to deliver base budget savings in the sum of £400,000. The saving has, therefore, been built in to the MTFP.

Children and Young People directorate

- 9.6 Cabinet is aware of the pressures in the current year related to Looked after Children and the work that is in progress to develop strategies to reduce the consequential financial pressures from 2012-13.

Place and Sustainability directorate

- 9.7 There are a number of financial risks relating to income, regeneration and leisure which are expected to be manageable in 2012-13 at this stage.
- 9.8 These service issues will be further reviewed and any necessary recommendations arising will be brought to the Cabinet at its meeting on 7th February 2012.

Capital Financing

- 9.9 An initial assessment of capital financing requirements and the latest economic forecasts suggest a saving of circa £1.3m can be assumed at this stage for 2012-13, together with a minor additional cost in 2013-14 of £100k. Given the current economic volatility and uncertainty, the key assumptions underpinning this budget will be kept



under close review and a revised assessment recommended to the Cabinet in February 2012.

- 9.10 It is anticipated that asset sales needed to address the Capital Programme may result in lost rental income. It is proposed that a provision of £100k is made to cover for this.

Localism Act 2011

- 9.11 There may be pressures arising from this Act.

- 9.12 The Act provides:

- New freedoms and flexibilities for local government
- New rights and powers for communities and individuals
- Reform to the planning system
- Reform to ensure decisions about housing are taken locally.

- 9.13 A number of these provisions may have financial implications for the Council – which are unquantifiable with any precision at this stage. Examples may include the ‘Community Right to challenge’ – voluntary and community groups have the right to express an interest in taking over the running of a local authority service. If the authority accepts the challenge it must run a procurement exercise to allow the challenging organisation to bid.

- 9.14 A further example may be the ‘Community Right to Bid (assets of community value)’. The Act requires authorities to maintain a list of assets of community value, as nominated by the community. When these assets come up for sale or change of ownership, the Act gives the community groups the time to develop a bid and raise the money to bid for the asset on the open market.

- 9.15 The requirement to hold a referendum if (proposed) Council Tax increases exceed a level set by the Secretary of State is noted at paragraph 8.23.

- 9.16 A full assessment of the financial implications of the implementation of the Act will be undertaken which may result in the need to incorporate additional budget provision in the financial plan.

Academies

- 9.17 The financial impacts on the council of schools becoming academies are the loss of funding from DSG and Formula Grant to pay for each Academy’s Local Authority Central Service Equivalent Grant



[LACSEG]; and implications arising from residual surpluses / deficits of the new academies. The above is subject to the government's response to consultation. Formula Grant reductions [through a 'top slice – see paragraph 12.14, below] are the key implications for the General Fund as the other impacts are all chargeable to the DSG.

- 9.18 The Department for Education on 8th December 2011 published a new consultation on the calculation and recovery arrangement for the academies transfer in 2011-12 and 2012-13. The consultation closes on 12th January 2012. There may be budget pressures arising from this.

10 Budget and MTFP Revenue proposals – summary

- 10.1 The latest financial position is summarised in Table 3 below.

Table 3		2012-13 £m	2013-14 £m	TOTAL £m
Note	MTFP surplus (+) / shortfall (-)			
	Cabinet October 2011 (Table 1)	1.1	-7.6	-6.5
	<u>Revisions to spending assumptions</u>			
1	Inflation	-1.3		
2	Concessionary Fares	-0.3		
3	Housing	0.4		
4	Interest costs	1.3	-0.1	
5	Revenue implications of asset sales	-0.1		
6	Spending funded by additional grant	-1.1		
	Sub total	-1.1	-0.1	-1.2
	<u>Revisions to financing assumptions</u>			
7	CT & HB Grant	-0.2		
8	New Homes Bonus	0.5		
9	Other grant increases	0.8		
	Sub total	1.1	-	1.1
10	At December 2011	1.1	-7.7	-6.6

- 10.2 The Cabinet will agree its final recommendations on the MTFP 2012-15, Budget 2012-13 and Council Tax 2012-13 to the Council at its meeting on 7th February 2012.

2014-15

- 10.3 There are many continuing uncertainties regarding the resource outlook for 2014-15, deriving from the government's intention regarding changes to the financing of local government, the implications of the implementation of welfare reform and the continuing economic stringency.
- 10.4 However, it is important the Cabinet and Council assess the potential scale of the financial challenges in 2014-15. The best assessment, based on government announcements and plans, suggests a potential budget shortfall of some £19m. This could, however vary either way as it is subject to many uncertainties.
- 10.5 The government is planning to reduce funding for local authorities by an average of 29% over the four years up to and including 2014-15. In addition the most recent statements have indicated that they expect resources allocated to local government to reduce to reflect assumptions about a pay cap. Overall it is expected financial austerity will continue as the government has announced in the budget statement an extra £2bn of public sector reductions, these are likely to have an impact on local government. It is necessary for the Council to plan for austerity.
- 10.6 The following are examples of material changes that could affect the Council's finances in 2014-15:
- Changes in core and specific grants
 - NHS funding
 - Use of 2011 Census data
 - The outcomes of the Local Government Resource Review, affecting Formula Grant and aspects of the government's welfare reforms
 - New Homes Bonus and other funding incentives provided by the government
 - Inflation and interest rate changes
- 10.7 Overall the position for 2014-15 is very uncertain and the current projections will be subject to further review. The opportunity will be taken to influence the government so that the maximum resources possible are available to the Borough, in order to minimise any potential budget gap.



11 Risks and Opportunities

- 11.1 When setting the draft MTFP, Directors have provided their best estimates of service costs and income based on the information currently available. However there will always be factors outside of the Council's direct control that will vary the key planning assumptions that underpin these estimates.
- 11.2 There are a number of significant risks that could affect either the level of service demand (and therefore delivery costs), or its 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.
- 11.3 Similarly there are opportunities either to reduce costs or increase income which have not, as yet, been factored into the planning assumptions. The main risks and opportunities are summarised below.

Risks

- Reduction in service standards / performance
- Funding uncertainty
- Increased service demand
- Impact of Housing Benefit and other welfare changes
- Delay or non-delivery of savings proposals
- Inflation
- Shortfall in revenue due to the economic climate
- Further reductions in joint NHS funding
- Increase in bad debts.
- Academies

Opportunities

- New freedoms and flexibilities
- New income streams

12 Dedicated Schools Grant [DSG]

- 12.1 The Schools Forum met on 8th December 2011 to consider a paper on the Dedicated Schools Grant Budget Strategy for 2012-13. A number of recommendations were put to the Forum and their views have been set out below in respect of the key areas, to inform the Cabinet's consideration of these issues.
- 12.2 The schools financial settlement for 2012-13 will follow the same



pattern as in 2011-12 (i.e. the spend plus methodology) with a single Guaranteed Unit of Funding multiplied by the number of pupils recorded in the various pupil censuses taken in January 2012.

- 12.3 The Guaranteed Unit of Funding (GUF) in 2011-12 was £6,306.81 and will continue at this level in 2012-13. This represents a standstill at cash levels although clearly the effect of inflation means that, for this element of the budget, schools will experience a real terms decrease in their funding in 2012-13. On the basis of the final 2011-12 pupil numbers and the GUF above the estimated DSG for 2012-13 will be set at £208.503m which the Cabinet is asked **to agree** as the indicative level of the Dedicated Schools Grant (DSG) for 2012-13.
- 12.4 In addition to this funding, schools will continue to receive the Pupil Premium which was introduced in 2011-12. It initially provided £430 per pupil eligible for Free School Meals (FSM) in the January census. During 2011-12 this was increased to £488 per pupil and, for 2012-13, is set to double. The government has also consulted on possible changes to the methodology for distributing the Pupil Premium; the outcome of which is awaited. However, for 2012-13 the Cabinet is asked **to note** an expected Pupil Premium allocation of £10.1m.
- 12.5 In 2011-12 there was a fundamental change to a large number of previous grant funded streams with most being incorporated within the DSG. In 2011-12 it was agreed that, for **universal grants**, a lump sum equivalent to the 2010-11 allocation of predecessor grants, reduced by 1.5% to reflect the negative Minimum Funding Guarantee (MFG) would be provided and for **targeted grants** the relevant sum would be added to headroom. It was further agreed that this approach be revisited in 2012-13 as part of an overall review of the Haringey Formula. However, given that the government has consulted on fundamental changes to school funding which are anticipated to be implemented for 2013-14 and which include the possibility of a national funding formula, the Cabinet is asked **to agree** the continuation of this approach in 2012-13 pending further clarification on the outcomes from the School Funding consultation. The Schools Forum was in agreement with this approach.
- 12.6 In 2011-12 uncertainty over the continuation of the Music Education Grant (MEG) led Members to agree to support the Music Service from headroom. Resources of £126.6k were provided in 2011-12 and the increased contribution for 2012-13 on a similar basis is £41.1k which the Forum supported on the understanding that the Head of the Music Service attend the next Forum meeting to explain what steps were being taken to ensure that all pupils from across the borough had equitable access to the service.



- 12.7 A one-off allocation of £522k was made available to certain schools to take on the running of extended services on the understanding that future provision be self-sustaining. This sum is not required in 2012-13 and the Forum agreed to a proposal to add this to the available headroom. The Cabinet is asked **to endorse** this treatment.
- 12.8 The Forum was asked to express a view on a number of proposed formula changes and in particular indicate their agreement to consult on those changes with schools, and other relevant bodies, where appropriate. The School Forum has the power to agree changes to the Funding Formula and therefore the Cabinet is asked **to note** the intention of the Forum to consult and to propose changes to the Formula in the following areas:
- Protection for 'bulge' classes.
 - Changes to the methodology for recognising premises costs.
 - The introduction of a small secondary schools' factor.
- 12.9 In addition the Forum were advised of two further formula changes; the first consequent on changes to the government's formula for distributing the Pupil Premium which has obviated the need to continue with a local factor introduced last year for new schools. The Forum also agreed not to consult on a proposal to remove the paid meal subsidy on the basis that it provided a useful lever against schools failing to levy the recommended price for a school meal.
- 12.10 A number of pressures were highlighted to the Forum which it was agreed should be met from the available headroom following the final determination of pupil numbers and the DSG. The pressures identified were:
- The need for additional funding of SEN places within the individual Schools Budget (ISB) for the new Integrated Learning Campuses and Heartlands High School resource base as part of a continuing strategy to develop in-borough SEN provision as a means to reduce the use of more costly out-borough provision and improve value for money;
 - The need to provide for the costs of the Local Authority Central Services Equivalent Grant (LACSEG) following the conversion of schools to Academy status; and
 - The educational component of Looked After Children (LAC) external residential costs.

- 12.11 The Cabinet is asked to **agree** to the funding of these items from available headroom.
- 12.12. Finally, the Forum were advised that the target of delegating 16% of resources via deprivation factors had now been achieved and therefore there was no need to create headroom through a general application of the Minimum Funding Guarantee (MFG). As a result they agreed to endorse an approach that did not require the reduction of formula factors by the MFG (-1.5%) unless there was insufficient headroom to meet all of the proposed calls on headroom. In the event that headroom is available after meeting all of the identified pressures the Forum agreed a proposal to distribute headroom via the Key Stage funding units including those for Early Years and place led settings. The Cabinet is asked to **agree** this approach to the use of headroom.

Academies

- 12.13 The DfE has also consulted on interim funding arrangements for Academies proposals for revising the arrangements for calculating the Local Authority Central Services Equivalent Grant (LACSEG) and the outcome of this is also outstanding.
- 12.14 Haringey now has two schools that have chosen to convert to Academy status. The financial implications for 2012-13 are that funding equivalent to the school budget shares will be recouped from the DSG plus Local Authority Central Spend Equivalent Grant (LACSEG) of approximately £0.53m. In addition the government 'top slices' the Council's Formula Grant allocation. As noted at paragraph 9.18, the DfE is consulting on the calculation and recovery arrangements for academies transfer in 2011-12 and 2012-13 but has also stated there will be no consequential changes to the 2011-12 settlement figures and no authority will be adversely affected in 2012-13 compared to their 2012-13 Settlement figures.
- 12.15 The amount of LACSEG identified above represents the formulaic calculated reduction in the cost of central services (as opposed to costs that can actually be saved). The speed at which Haringey can reduce relevant costs within the centrally retained DSB will depend on a number of issues including whether economies can be made from delivering services to fewer schools and the Authority's ability to continue to provide services to Academies under trading arrangements.



13 Housing Revenue Account [HRA]

- 13.1 New arrangements for the management of the Council's housing functions start on 1st April 2012. The Cabinet therefore needs to take a number of consequential key decisions in respect of rent increases, service charges, the separating of outstanding debt between the General Fund and the HRA, and the overall financial planning assumptions for the HRA, on the basis of which an overall HRA Revenue Budget 2012-13, Capital Programme 2012-15 and MTFP 2012-15 is recommended.
- 13.2 These recommendations have been informed by the work to date on the Stock Options Appraisal project commissioned by the Cabinet in April 2011.
- 13.3 Details are set out in Appendix 5.

14 Capital Programme

- 14.1 The capital programme is considered below in three sections: internally funded schemes; externally funded schemes and the Housing programme.
- 14.2 Each section is summarised below and supported by detailed programmes in Appendix 6.
- 14.3 The spending on externally funded schemes are currently best estimates, as the funding is yet to be confirmed. These estimates are prudently based on previous years, taking into account the likely effect that public spending reductions will have on available capital. The programme will be updated for Cabinet approval following funding confirmations as announced by government departments and other public bodies throughout December and early January.

Internally funded schemes

- 14.4 The funding for internal schemes is predominantly from capital receipts which have been declining in the current economic climate. These schemes have also been rated against the Council's priorities.
- 14.5 The current summary position for the period 2012-13 to 2014-15 is shown in Table 4 below and in detail at Appendix 6a. The schemes which are not competing for general capital receipts are shown as "others" and include the Accommodation Strategy, self-funded from earmarked disposals, and Alexandra Park and Palace refurbishment



and development programme, funded from the overall Alexandra Palace net revenue budget.

- 14.6 The recommended programme of £24.8m is set out in Table 4 below and discussed in more detail in the paragraphs which follow.

Internally funded schemes

Table 4		Proposed Budget 2012-13 £000	Indicative Budget 2013-14 £000	Indicative Budget 2014-15 £000	Total £000
Capital Receipts		7,416	6,900	7,875	22,191
Resources that follow projects		2,280	1,600	700	4,580
Revenue Resources		500			500
Total Resources	A	10,196	8,500	8,575	27,271
Recommended Programme					
Schemes competing for Receipts		6,950	8,550	4,678	20,178
Others		2,280	1,600	700	4,580
Recommended Programme	B	9,230	10,150	5,378	24,758
Difference (surplus)/ shortfall	B-A	(966)	1,650	(3,197)	(2,513)

- 14.7 There are a number of key assumptions which have been made in the preparation of the above programme;

- That there will not be any further call on internal resources as a result of cuts in externally funded parts of the programme, notably from government departments;
- That the capital receipts assumed over the period will be received for at least the estimated amounts and are not significantly delayed;
- That there will be no new borrowing;
- That match funding will be provided where anticipated; and,
- That the self funding of the HRA will enable a robust programme of housing works to be established without the need for further funding from future sales of non-Housing Assets.

- 14.8 There is still a high level of risk around capital receipts and the programme set out above requires £22m of receipts, none of which has yet been received.



- 14.9 The Cabinet has already approved the working up of a development option in conjunction with the Mountview Academy of Theatre Arts for Hornsey Town Hall. As the precise nature of this proposal has not been finalised no bid has, at this stage, been included. It is anticipated that the overall project will be self financing and will be added to the final capital programme for approval.
- 14.10 The programme is rebased annually so 2013-14 and 2014-15 figures are indicative and the schemes for those years will be subject to prioritisation and Cabinet approval each year.

Externally funded schemes (Appendix 6b)

Table 5	Proposed Budget	Indicative Budget	Indicative Budget	Total
Draft Summary Capital External Funding Source – Estimated	2012-13	2013-14	2014-15	
	£000	£000	£000	£000
Capital Grants from Central Government	6,818	11,371	5,236	23,425
Grants & Contributions from Developers	0	1,090	0	1,090
Grants & Contributions from Non Departmental Public Bodies	3,120	461	160	3,741
Capital funding from GLA bodies	2,267	2,120	2,100	6,487
Financing from the General Revenue Fund	5,855	1,787	200	7,842
Supported Capital Expenditure	9,794	0	0	9,794
Total Estimated Funding	27,854	16,829	7,696	52,379

Excludes all schemes funded from the Housing Revenue Account

- 14.11 The funding above is currently estimated and includes financing supported by the government in two ways. Firstly by capital grants in respect of specific programmes for which the announcements are still awaited e.g. the Primary and pre-school programme; prudent assumptions have been made pending the announcements. Secondly, insofar as the estimates of these grants are insufficient it is proposed that general supported borrowing approvals, already in place, are utilised to make up the difference. Conversely if the announcements are better than estimated less of the borrowing approval will be used.
- 14.12 In 2012-13 the estimated capital grants include two specific funding streams in respect of Disabled Facilities and Community Capacity. The latter has been confirmed. The largest proportion however is in respect of schools.



- 14.13 The Grants and Contributions from Non Departmental Public Bodies relates to Heritage Lottery Funding in respect of the Lordship Lane Recreation Ground.
- 14.14 The Grants from GLA bodies relates to funding from Transport for London (TfL) which have not been confirmed at the time of writing but are expected in December. The amounts above are based on the delivery plan submitted to TfL in December 2010.
- 14.15 Funding from the General Revenue Fund (GF) relates to the infrastructure and BSF programmes. The latter of these could be affected by the Education funding announcement.
- 14.16 Cabinet will be considering the proposal under another agenda item at this meeting to expend monies received under a S.106 agreement on schemes due to complete or be committed before 31st March 2012. If the proposal is agreed it will release £0.5m of revenue resources in 2012-13. This amount has already been assumed in Table 5 above.

HRA Capital Programme

Table 6	Proposed Budget	Indicative Budget	Indicative Budget	Total
Draft Summary Capital HRA Funding	2012-13	2013-14	2014-15	
	£000	£000	£000	£000
Decent Homes Grant	17,000	6,500	27,400	50,900
Internally Generated Funds	27,692	24,203	16,332	68,227
Total Estimated Funding	44,692	30,703	43,732	119,127

- 14.17 In recent years the Council's programme for maintaining its estate has depended mainly on subsidy determinations and supported borrowing. The capital programme for 2011-12 is £36.2m with £19m being spent on Decent Homes funded from supported borrowing and £13.6m being spent on a range of repairs and improvement works financed by HRA subsidy. In addition, provision is made in the revenue account for a cyclical and responsive repairs programme of approximately £20m.
- 14.18 In the short term, a further £50.9m of grants is expected to be received to support the Decent Homes programme.
- 14.19 From 1st April 2012 the Council will have a relatively small amount of borrowing capacity and by far the majority of capital spend will need to be met from its own income sources, primarily rents and capital receipts



- 14.20 In order to ensure maximum flexibility for the Council in advance of completion of the Stock Options Appraisal it is proposed that the capital programme for 2012-13 relies solely on internally generated resources. It is not planned, therefore, to initially draw on the limited borrowing capacity nor on any capital receipts.
- 14.21 A proposed HRA Capital programme for 2012-13 totalling £44.7m is set out at paragraph 8 of Appendix 5 and Appendix 6c
- 14.22 Should any of the works cover leasehold properties the costs will be recoverable from the leaseholders and will not be a charge on the Council's resources.

15 Treasury Management Strategy

- 15.1 The Treasury Management Strategy for 2012-13 will be brought to a future meeting of the Cabinet and to the Council meeting in February 2012. It will set out the proposed strategy for the Council's borrowing, investment of cash balances and the associated monitoring arrangements.

16 Legal

- 16.1 The Budget and policy Framework procedure rules are set out in Part Four Section E of the Constitution and reflect both the statutory requirements on Local Authorities in relation to budgets and this Council's approach to setting budgets. It is for the Cabinet to approve the proposals and then submit to Full Council who set the budget.
- 16.2 Where relevant the Cabinet will need to ensure any necessary consultation is carried out and equality assessments completed and taken into account when making final decisions. The Council will also need to ensure that any proposals, if approved, do not result in a situation where the Council is unable to perform its statutory obligations.

17 Equalities

- 17.1 The Council must pay due regard to its public sector equality duties with regard to race, gender and disability and should also take into account the provisions of its equality scheme with regard to age, religion or belief and sexual orientation.
- 17.2 Prior to making any final decisions on any proposals that may be brought forward in the medium term financial planning process the



Council will assess the impacts of those by conducting Equality Impact Assessments [EqIAs], starting with an initial screening which considers whether there is a need for a full assessment.

- 17.3 A key element of the Council's EqIA process is consultation and engagement with the public, service users, community groups, the voluntary sector and our partners. All final decisions on proposals that require an impact assessment must take into account the outcomes and recommendations of the EqIA

18 Consultation

- 18.1 Public engagement and consultation remains a key central government policy driver and is also a legislative requirement for a wide range of functions. Proportionate public engagement and consultation activity on the Council's medium term financial planning and budget setting processes is being undertaken as set out in paragraphs 7.1 to 7.8.

19 Appendices

1. Summary of the proposed MTFP to March 2014.
2. Summary of the proposed MTFP to March 2015.
3. Changes and Variations
4. The Provisional Local Government Finance Settlement 2012-13: Core Grants.
5. Housing Revenue Account [HRA].
6. Draft Capital Programme [including HRA] 2012-15.
7. The recommendations of the Overview and Scrutiny Committee.
8. Details of responses to consultation to date.

20 Local Access to Information Act

- 20.1 The following reports are relevant:

- Financial Planning 2012-13 to 2014-15: mid year budget update (Cabinet 4th October 2011)
- Financial Planning 2012-13 to 2014-15 (Cabinet 19th July 2011)
- Medium Term Financial Planning 2011-12 to 2013-14 (Council 24th February 2011)
- Medium Term Financial Planning 2011-12 to 2013-14 (Cabinet 8th February 2011)

SUMMARY OF THE MEDIUM TERM FINANCIAL PLAN TO MARCH 2014

APPENDIX 1

	2012-13 £m	2013-14 £m
Net Service cost	286,169	277,939
Changes and Variations (as at July 2011)	11,173	18,863
Prior year Agreed Growth	-203	-25
Prior year Agreed Savings	-283	0
Funding Requirement	(a) 296,856	296,777
Core/ Specific Grants	24,640	24,640
New Homes Bonus	1,685	1,685
Formula Grant	141,221	137,721
Council Tax	105,000	107,600
Dept. of Health Grant	2,830	1,400
Council Tax Freeze Grant	2,563	2,563
Total Projected Available Funding	(b) 277,939	275,609
Total	(b)-(a) -18,917	-21,168
Pre-agreed savings	-16,128	-5,183
Savings agreed in principle at October Cabinet	-5,374	-6,647
Re-programming of savings	2,300	1,300
Revisions to assumptions	-2,500	-2,000
Terms and Conditions revised assumption	2,500	
Reduction in pay provision	-2,500	
NLWA - re-phasing		-900
Concessionary Fares	800	
Inflation (energy costs)	1,300	
Housing	-400	
Interest Costs	-1,300	
Revenue implications of asset sales	100	
Additional Grants	1,170	
Savings to be identified	1,115	-7,738
Total	-18,917	-21,168

SUMMARY OF THE MEDIUM TERM FINANCIAL PLAN TO MARCH 2015

APPENDIX 2

	2012-13 £m	2013-14 £m	2014-15 £m
Net Service cost	286,169	277,939	275,609
Changes and Variations (as at July 2011)	11,173	18,863	13,450
Prior year Agreed Growth	-203	-25	
Prior year Agreed Savings	-283	0	
Funding Requirement	(a) 296,856	296,777	289,059
Core/ Specific Grants	24,640	24,640	24,640
New Homes Bonus	1,685	1,685	1,685
Formula Grant	141,221	137,721	127,148
Council Tax	105,000	107,600	110,300
Dept. of Health Grant	2,830	1,400	1,400
Council Tax Freeze Grant	2,563	2,563	2,563
Total Projected Available Funding	(b) 277,939	275,609	267,736
Total	(b)-(a) -18,917	-21,168	-21,323
Pre-agreed savings	-16,128	-5,183	
Savings agreed in principle at October Cabinet	-5,374	-6,647	-2,050
Re-programming of savings	2,300	1,300	
Revisions to assumptions	-2,500	-2,000	
Terms and Conditions revised assumption	2,500		
Reduction in pay provision	-2,500		
NLWA - re-phasing		-900	
Concessionary Fares	800		
Inflation (energy costs)	1,300		
Housing	-400		
Interest Costs	-1,300		
Revenue implications of asset sales	100		
Additional Grants	1,170		
Savings to be identified	1,115	-7,738	
Potential Gap			-19,273
Total	-18,917	-21,168	-21,323

Changes and Variations

Item	Potential / Known Budget Pressure	2012-13 over 2011-12 £'000	2013-14 over 2012-13 £'000	2014-15 over 2013-14 £'000
1	Inflation	3,770	5,500	8,000
2	NLWA - levy etc	2,100	1,400	250
3	Increase in cost of concessionary fares	1,300	500	500
4	Council Tax Benefit - subsidy 10% reduction	0	4,000	0
5	Risks to future government funding etc	2,500	2,600	2,700
6	Debt Financing Costs (net)	(3,063)	319	0
7	Service Growth (pre-agreed)	836	1,744	0
8	Potential future service pressures	0	0	2,000
Changes and Variations Total		7,443	16,063	13,450

Appendix 4

Provisional Local Government Finance Settlement 2013-14 announced by the Secretary of State for Communities and Local Government on 8th December 2011

Core Grants 2012-13

	February 2011 MTFP Assumption £000	Latest £000	Change £000
1 Early Intervention	15,988	16,444	+456
2 Learning Disability	3,552	3,642	+90
3 Council Tax Freeze	2,530	2,563	+33
4 HB & CT Admin	3,523	3,347	-176
5 Prevent H'lessness	925	925	0
6 NHS	2,830	2,830	0
7 Free Travel		24	+24
8 Housing Growth		51	+51
9 Flood Grant		207	+207
sub - total	29,348	30,033	+685
10 New Homes Bonus	1,200	1,685	+485
TOTAL	30,548	31,718	+1,170

Note

The NHS funding is technically part of the Department of Health funding and was not announced as part of the Local Government Finance Settlement. The figure shown above is our latest assumption.

HOUSING REVENUE ACCOUNT 2012-13 to 2014-15

1 Summary

- 1.1 This appendix sets out the new arrangements for the management of the Council's housing functions starting on 1 April 2012, and the recommendations on the consequential key decisions the Cabinet needs to take.
- 1.2 It also sets out the current position in respect of the Stock Options Appraisal project, and makes **recommendations** in respect of rent increases, service charges, the separating of outstanding debt, use of capital receipts and the overall financial planning assumptions for the HRA 2012-15.
- 1.3 Finally, a proposed HRA MTFP 2012-15 is recommended including both revenue spending and the Capital Programme.

2 Changes in the financial management of the Housing Revenue Account from April 2012

- 2.1 Under the provisions of the Localism Act 2011, on 1st April 2012 far-reaching changes to the management of council housing come into effect whereby the current Housing Revenue Account subsidy system will be abolished to be replaced by a system of self-financing.
- 2.2 Under the new system housing authorities will no longer receive HRA subsidy. From April 2012 they will be allowed to retain all their rental income and be responsible for deciding how to spend it to meet their local housing needs.
- 2.3 In return for the new "freedoms" councils will be allocated a share of the national housing debt. Most authorities will find that their level of debt will increase whilst a few, including Haringey, will have a portion of their debt repaid. The exact amounts of debt to be received or paid off will be finally determined at the end of January but the draft determination recently received suggests a figure of £232m.
- 2.4 Since 2009 PwC have been the Government's financial advisers on the self-financing reforms and they have identified a significant shift in responsibility and resources to local authorities. They summarise their

interpretation of the changes as follows:

HRA today

- It is self-contained, cannot go into deficit, with funding determined by central government;
- Annual subsidy determinations provide constraints on spending and borrowing;
- No need for active debt management strategy as government covers debt costs;
- Inflation and interest rate risks absorbed by government;
- Asset management strategy dependent on limited capital resources provided by central government;
- No real scope for strategic planning as reliant on annual government subsidy payments.

HRA in the future

- End of central government funding of housing investment – long term asset management risk is the sole responsibility of councils;
- Councils entirely responsible for their own debt management strategy including level, cost and profile of debt;
- Need for proactive debt management, particularly in the early years;
- Councils will need to develop a new strategic financial framework for the HRA;
- Significant potential investment capacity, but councils need to operate within centrally determined borrowing constraints.

- 2.5 For several years the Council has been aware of government plans to alter radically the system of financial management and since the publication by DCLG of “Implementing self-financing for council housing” on 1st February 2011 has been making preparations for implementation. The Cabinet is **recommended** note these changes.

3 Stock Options Appraisal

- 3.1 The Council and Homes for Haringey (HfH) have been preparing long term business plans, medium term financial plans and stock condition surveys for some considerable time. Nevertheless, it was felt that the proposed changes in funding arrangements justified the engagement of an external consultancy to assist in producing future investment options and assessing their implications.
- 3.2 Accordingly on 26th April 2011, in a report entitled “Capital Programme Priorities 2011-14” in paragraphs 9.4 to 9.7 the Cabinet were advised as follows:

- In order to inform the Council's decision making, a 30 year Business Plan needs to be produced, based on the HRA self financing model and taking into account the results of this year's stock condition surveys;
- A number of different scenarios need to be modelled in order that the Council can be properly appraised of the impact of some of the key assumptions, including:
 - Inflation and interest rates
 - Rent levels and associated policy
 - Void rates
 - Rent collection levels
 - Future management costs
 - The options for capital investment, particularly around the decent homes standard and what that actually means
 - The potential to access other external funding sources
 - The use of prudential borrowing.
- The 30 year Business Plan also needs to be modelled on different scenarios for different types of property, especially where it is already recognised that certain parts of the stock, such as the Noel Park Pods, are more costly to maintain and might require an alternative funding option;
- The re-modelling of the long term financial plan and the review of the funding options are inextricably linked. The commissioning process will reflect this.

3.3 On the basis of this advice Cabinet agreed:

“that a Borough-wide options appraisal should be carried out to inform Members' consideration of how best the Council might address the short term and long term investment needs of its housing stock;”

3.4 Qualified consultants were invited to put forward proposals to carry out a brief, the purpose of which was defined as follows:

- The purpose of the brief is to support the Council and HfH in a strategic review of the options for delivering the future housing needs of the borough. It is expected that the review will consider a wide range of options. A central part of the work will be to look at the options available for capitalising on opportunities from HRA reform, to meet the investment priorities of the borough;
- There are three stages of work required to ensure the Council and Homes for Haringey are prepared for HRA

reform, and in the best position to take advantage of the new arrangements. The work naturally splits into two skill areas with stage one focussed on asset management and stages two and three focussed on business planning.

3.5 The brief was divided into three stages:

1. Asset management – Understand the nature and investment needs of the council's housing
2. Business planning – Help develop and validate a 30 year HRA financial plan to form the basis of strategic financial planning;
3. Business planning – Examine the full range of delivery options open to the council

3.6 Proposals were received from four well qualified firms and after interview and detailed appraisal the brief was awarded to PwC who were felt to be particularly well qualified, not least because of their work in helping the government to develop its proposals.

3.7 The three stage report will be presented to the Cabinet in the first part of 2012 but the draft has been used to inform the proposed 2012-13 revenue and capital budgets and the 2012-15 MTFP. Cabinet is **recommended** to note the position.

4 Rent increases

4.1 Under the self-financing regime rents will remain as the overriding source of income for the HRA and Cabinet will continue to be required to make decisions annually on the level of increases. Cabinet's formal approval to a recommendation to the Council will be sought at the Cabinet's meeting on 7th February 2012.

4.2 For several years it has been the Council's policy, in accordance with subsidy determinations, to set rent increases leading towards convergence with rent levels of other social landlords at the specified time.

4.3 Rent increases in 2011-12 were the guideline increases included in the subsidy determination based on September 2010 RPI inflation and convergence by April 2016. This produced an average weekly actual rent of £87.49 compared with a target rent of £94.21. This represented an increase of 6.5% following increases of 1.3% and 6.1% in the previous two years.

4.4 Under self-financing there will no longer be an HRA subsidy determination but authorities will still be expected to follow convergence guidelines.

4.5 It is therefore **recommended** that Cabinet continues to follow their

established policy (subject to consultation) with target rent increases for 2012-13 reflecting the September 2011 RPI announcement (5.6%) and convergence in April 2016.

- 4.6 The average weekly dwelling rents with caps and limits applied according to the Government's restructuring policy will increase by £6.55 (7.5%) from £87.49 to £94.04. There will be differing increases across dwellings as set out below:

<u>Forecast weekly dwelling rents for 2012-13 with caps and limits applied</u>			
No of bedrooms	Minimum	Maximum	Average
	£	£	£
Bedsit	59.64	103.65	75.17
1	50.14	122.32	80.45
2	71.43	132.93	93.97
3	67.59	141.44	108.08
3+	78.93	165.90	125.69
All dwellings	50.14	165.90	94.04

<u>Percentage increase in weekly dwelling rents for 2012-13 with caps and limits applied</u>			
No of bedrooms	Minimum	Maximum	Average
	%	%	%
Bedsit	4.3	9.8	7.8
1	4.0	10.5	7.5
2	5.2	9.2	7.6
3	5.0	9.3	7.5
3+	5.5	8.9	7.4
All dwellings	4.0	10.5	7.5

<u>Range of changes</u>	
Amount	Number of properties
Less than £4.00	15
Between £4.00 and £5.00	1,025
Between £5.00 and £6.00	4,490
Between £6.00 and £7.00	4,775
Between £7.00 and £8.00	4,131
Between £8.00 and £11.00	1,684
Total	16,120

- 4.7 Should the Council not to implement the full increase the loss of rent would be £0.75m per 1% of reduced increase.
- 4.8 Over 70% of the Council's tenants have at least part of their rent paid by benefits.
- 4.9 In the past the loss of rent income from the application of caps and limits has been reflected in increased subsidy. This is not expected to continue and a total expected loss of £1.2m in 2012-13 has been included in the overall self-financing budget. Over the "convergence"

period this will reduce to zero.

- 4.10 For financial planning purposes only at this stage the Cabinet is **recommended** to note the inclusion of the proposed rent increases detailed in paragraph 4.6 above which are subject to consultation. The Cabinet will take its final decisions at its meeting on 7th February 2012.

5 Service charges

- 5.1 In addition to rents, tenants need to pay separate service charges for specific services that they receive. Charges are currently made for the following services.

- Concierge services
- Caretaking
- Grounds maintenance
- Street sweeping
- Light and power
- District heating
- Water

- 5.2 The Council's policy has been to set charges to match budgeted expenditure. Except in unusual circumstances it has not been the policy to compensate for under or over recovery in previous years.

- 5.3 Based on current policy the Cabinet is **recommended** to note the following changes to charges:

Option	Existing charge per week 2011-12 £	Increase %	Increase £	Proposed charge per week 2012-13 £
Concierge	15.23	-5.8	-0.89	14.34
Grounds maintenance	2.41	4.6	0.11	2.52
Caretaking	5.57	-2.0	-0.11	5.46
Street sweeping	2.98	6.4	0.19	3.17
Communal lighting	1.06	174.5	1.85	2.91
District heating	9.02	43.5	3.92	12.94
Integrated reception service			0.77	0.77
Estates road maintenance			0.46	0.46
Water	5.56	16.9	0.94	6.50

6 Separation of outstanding debt

6.1 In accordance with statute and nationally accepted practice the Council finances a high proportion of its capital expenditure from borrowing and maintains a single loans account. Traditionally there has been no requirement for maintaining a separate account for the HRA. However under the new arrangements there is likely to be pressure for and logic in separating the debt between the General Fund and the HRA. Notwithstanding such a split there is no doubt that all of the debt will remain that of the Council and its management will remain the responsibility of the Council's Chief Financial Officer.

6.2 As at the end of March 2012 the Council's outstanding loans portfolio is expected to be:

	£m
Public Works Loans Board (UK Treasury)	453
Commercial lenders	176
Internal sources	100
TOTAL	729

6.3 It is likely that approximately £507m will relate to HRA expenditure with the balance of £222m relating to General Fund purposes. Draft guidance suggests that the Government does not intend to be prescriptive as to whether the HRA debt and the General Fund debt should be separated but the guidance does show a bias in support of such a split. In addition, under the self-financing arrangements there are strong arguments of principle for separating the debt with the guidance advising that the overriding principles are:

- no detriment to the General Fund
- a solution that is broadly equitable between the HRA and General Fund.

6.4 As indicated in paragraph 2.3 above, on 28th March 2012 the government will be repaying a large proportion of the Council's PWLB debt. In the draft determination received on 21st November the government has indicated that this sum will be £232m leaving a total portfolio as follows:

	£m
Public Works Loans Board (UK Treasury)	221
Commercial lenders	176
Internal sources	100
TOTAL	497

- 6.5 Whilst the final determination will not be received until the end of January 2012 the Council needs to plan on the basis of the current draft.
- 6.6 Of the internal sources listed above approximately £8m relates to HRA balances and the remaining £92m to the General Fund [GF]. It is therefore recommended in principle that these sums be allocated directly to the two funds with the PWLB and commercial loans then split pro-rata to past expenditure creating a total split as follows:

	HRA £m	GF £m	TOTAL £m
Public works Loan Board (UK Treasury)	149	72	221
Commercial Lenders	118	58	176
Internal sources	8	92	100
TOTAL	275	222	497

- 6.7 For the HRA the average rate of interest on external borrowing for 2012-13 is estimated at 5.52%.
- 6.8 It is **recommended** that the above methodology be used to separate the outstanding debt on 1st April 2012 between the HRA and the General Fund.

7 Revenue Budget and MTFP 2012-15

- 7.1 The new self financing arrangements are predicated on the basis of a very straightforward structure for the Council's HRA as follows:

	£m
Rents and other income	(86.1)
Costs of management and maintenance	43.2
Interest charges	14.8
SURPLUS	(28.1)

- 7.2 Of the surplus, a specified amount (£19.4m) must be allocated for capital purposes whilst the remainder (£8.7m) can be used for further capital works or to augment the HRA balance.
- 7.3 Annex A sets out the HRA MTFP 2012-15 in terms of:
- Company Account
 - Managed Account
 - Retained Account
- 7.4 The Company Account – covers duties undertaken by Homes for Haringey funded by the Management Fee comprising mainly

housing management and repairs and maintenance.

- 7.5 The Managed Account – comprises Council budgets for which management is delegated to Homes for Haringey including rental income, HRA subsidy and service charges.
- 7.6 The Retained Account- comprises Council budgets for which management is retained by the Council including capital financing costs and services funded by Supporting People.
- 7.7 As part of the Council's strategy to generate efficiency savings, Homes for Haringey have been asked to reduce the portions of their Company Budget within their full control, [that is excluding charges made by the Council], by 5% which equates to £1.9m. They have been asked to minimise the impact on "front line" services and are planning accordingly. Their budget will be finalized by their Board in January 2012 and confirmed in the overall HRA Budget to be considered by the Cabinet on 7th February 2012.
- 7.8 The net budget for the Managed Account which comprises most of the HRA income sources is estimated to realise increased net income of £6.6m arising largely from rent increases discussed above and additional service charges.
- 7.9 The Retained Account shows an expenditure reduction of £15.9m arising mainly from the reduction in the Management Fee payable to Homes for Haringey (-£1.2m) capital financing charges reflecting the self-financing arrangements (- £19.4m) and insurance charges (- £0.6m), partly offset by increased depreciation charges (£5.8m).
- 7.10 The impact of the move to self financing on the revenue budget is identified in the summary below of the most significant variances between the budget for 2011-12 (net surplus of £0.3m) and the proposed budget for 2012-13:

	£m
Increased rental income	5.2
Increased service charges	1.4
Reduction in Management Fee	1.2
Move to self-financing	(0.5)
Net other changes	1.1
Variance	8.4

- 7.11 The self-generated resources which will be available to the Council to fund capital expenditure in 2012-13 will be the in-year surplus of £8.7m as identified above and detailed in Annex A together with the sum of £19.3m provided within the budget specifically for capital expenditure purposes.

- 7.12 The draft budgets for 2013-14 and 2014-15 largely reflect forecast inflationary increases with rental income additionally including provision for the movement towards convergence on 1 April 2016. Because of the overriding significance of rents within the HRA the forecast net budget surpluses show estimated increases of 26.3% in 2013-14 and 21.8% in 2014-15.”
- 7.13 The Cabinet is **recommended** to approve the 2012-13 HRA Budget and MTFP 2012-15 summarised above and set out in detail at Annex A, for approval by the Council in February 2012.

8 Capital Programme

- 8.1 In recent years the Council’s programme for maintaining its estate has depended mainly on subsidy determinations and supported borrowing. The capital programme for 2011-12 is £36.2m with £19m being spent on Decent Homes funded from supported borrowing and £13.6m being spent on a range of repairs and improvement works financed by HRA subsidy. In addition, provision is made in the revenue account for a cyclical and responsive repairs programme of approximately £20m.
- 8.2 Whilst, in the short term, a further £50.9m of grants is expected to be received to support the Decent Homes programme, as discussed above, HRA subsidy will no longer exist and the format of the capital programme will need to take into account more complex factors.
- 8.3 Under self-financing the Council will have a relatively small amount of borrowing capacity and by far the majority of capital spend will need to be met from its own income sources, primarily rents and capital receipts.
- 8.4 In order to ensure maximum flexibility for the Council in advance of the completion of the Stock Options Appraisal it is proposed the capital programme for 2012-13 relies solely on internally generated resources. It is not planned therefore to draw on the limited borrowing capacity nor on any capital receipts
- 8.5 A proposed capital programme of £44.7m is set out at Appendix 6c. Proposed funding of that programme is set out below.

	2012-13 £m
Decent Homes Grant	17.0
Internally generated funds (paragraph 7.6)	27.7
TOTAL	44.7

- 8.6 Should any of the works cover leasehold properties the costs will be recoverable from the leaseholders and will not be a charge on the Council's resources.
- 8.7 The Cabinet is **recommended** to approve the Capital Programme summarised above and set out in detail at Appendix 6c for approval by the Council in February 2012.

ANNEX A REVENUE BUDGET

HRA Summary	2011/12		2012/13		2013/14		2014/15	
	Increase / (Decrease) £000s	Original Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s
Company Income	-	(53,158)	1,175	(51,983)	(884)	(52,867)	(900)	(53,767)
Chief Executive	-	1,350	(72)	1,278	18	1,295	18	1,313
Housing Management	-	12,046	(423)	11,623	132	11,754	134	11,888
Business Improvement	-	93	(93)	0	-	0	-	0
Resources	-	2,395	(131)	2,264	30	2,294	30	2,324
Property Services	-	29,744	(1,308)	28,436	538	28,974	548	29,522
Corporate	-	7,529	854	8,382	168	8,550	171	8,721
Total Company Accounts	-	0	0	0	0	0	0	0
Rental Income	-	(72,518)	(5,229)	(77,747)	(3,474)	(81,222)	(3,548)	(84,770)
Non Dwelling Rents	-	(2,443)	74	(2,369)	(47)	(2,416)	(48)	(2,465)
HRA Subsidy	-	(14,094)	14,094	0	0	0	0	0
Leasehold Service Charge Income	-	(5,171)	(158)	(5,329)	(113)	(5,442)	(115)	(5,557)
Tenant Service Charge Income	-	(8,618)	(1,498)	(10,116)	(202)	(10,319)	(206)	(10,525)
Miscellaneous Income	-	(5,321)	(657)	(5,978)	(120)	(6,098)	(122)	(6,220)
Housing Management Costs	-	7,439	658	8,097	162	8,259	165	8,424
Repairs & Maintenance	-	71	50	121	2	124	3	126
Bad Debt Provision	-	650	63	713	50	763	0	763
Service Charge Costs	-	6,520	104	6,623	95	6,718	97	6,815
Total Managed Accounts	-	(93,486)	7,501	(85,985)	(3,647)	(89,632)	(3,775)	(93,407)
Temporary Accommodation Income	0	(3,540)	(56)	(3,597)	(116)	(3,713)	(116)	(3,829)
Housing Management Direct Costs	-	1,709	(226)	1,483	59	1,542	60	1,602
Supported Housing Costs	-	2,844	(196)	2,648	11	2,659	11	2,670
Repairs & Maintenance	-	328	(10)	319	7	325	7	332
Capital Financing Charges	-	47,800	(13,624)	34,176	500	34,676	500	35,176
Other Property Costs	-	2,014	(606)	1,408	19	1,427	24	1,451
Bad Debt Provisions	-	61	1	62	1	63	1	65
ALMO Management Fee	-	41,979	(1,206)	40,773	875	41,648	889	42,537
Total Retained Accounts	-	93,195	(15,922)	77,272	1,355	78,628	1,375	80,002
TOTAL HOUSING REVENUE ACCOUNT	-	(291)	(8,421)	(8,713)	(2,292)	(11,004)	(2,400)	(13,405)

ANNEX B: 2012-13 Capital Programme Commentary

1. Mechanical and Electrical – £1.25m

- 1.1 Approximately half of the budget will be spent on the re-wiring of landlord's electrical supply to blocks and the other half on planned maintenance and repairs to existing door entry systems.

2. Asbestos Removal – £0.100m

- 2.1. This budget funds the testing, removal and management of asbestos containing materials (ACMs) identified during responsive repair works. This work is essential to enable responsive repairs work to be completed safely and ensure that ACMs are safely managed in homes and communal areas. Sometimes the work is carried out by sealing or encasing the asbestos, rather than removing it.

3. Boiler Replacements and Major Repairs – £3.500m

- 3.1 This budget funds the replacement of boilers, together with major repairs such as the replacement of heat exchangers, on a reactive basis.
- 3.2 Although a boiler has an expected life of 15 years, many boilers are considerably older than this and should be replaced. Modern energy efficient boilers that Homes for Haringey is now installing have a life expectancy of only 12 years.
- 3.3 The proposed budget is broadly consistent with advice received from Homes for Haringey that an annual budget of £4m be provided to support a planned approach to boiler replacement.

4. Lift Renewal – £2.181m

- 4.1 This budget funds the replacement of lifts that have reached the end of their useful life. Lifts have an expected life of between 15 and 20 years, and lift replacement programmes require long lead-in periods because of the specialist nature of the work and the bespoke requirements of each lift.
- 4.2 There are 142 lifts in the Council's housing stock. Currently approximately 60 lifts are identified for renewal. Each of these lifts is more than 20 years old, and several are significantly older.
- 4.3 In recent years the lift replacement programme has not been keeping pace with obsolescence causing considerable inconvenience to residents. The regular lift servicing programme has identified the need to replace more lifts in future years to ensure continued service for residents. The increase in budget from the £1.4m allocated in 2012-13 will help reduce the backlog.
- 4.4 An enhanced replacement programme will also have a positive impact on the pricing of the lift maintenance contract that is about to be re-procured.

5. Structural Works – £0.600m

- 5.1 This budget funds essential structural works including, for example, underpinning, concrete repairs and brickwork repairs.

6. Capitalised Repairs – £4.563m

- 6.1 This budget funds capital works (such as kitchen renewal, bathroom renewal and the installation of new central heating systems) that are carried out, as part of the responsive repairs programme, to renew items that are beyond economic repair. Repairs to void properties account for a significant amount of expenditure within this budget.

7. Extensive Void Works – £1.350m

- 7.1 This budget funds the repair and improvement of void properties that require major works before they can be re-let.
- 7.2 The proposed budget has increased from £0.600m in 2012-13 partly to deal with the impact of the reduction in the Decent Homes programme and the need to focus on the external fabric and services. As a result kitchen and bathroom replacements in void properties, which would previously have been part of the Decent Homes programme, must now be funded separately.

8. Major Voids and Accommodation Improvements - £0.500m

- 8.1 This budget will facilitate one off capital schemes to refurbish large voids for other uses. The programme includes upgrading the facilities at Homes for Haringey's Lordship Lane Repairs Depot by demolishing redundant pre-fabricated buildings, extending the stores facility, upgrading the joinery mill and glazing facility and providing additional parking. Lane.

9. Decent Homes - £26.500m

- 9.1 On 4 October 2011 Cabinet agreed a detailed programme utilising the Decent Homes grant of £17m and to the delivery of that programme through a mini-tender process.
- 9.2 It is proposed that an additional £9.5m is allocated for 2012/13, enabling the external fabric work to benefit an estimated additional 750 to 900 homes, making them warm, safe and dry. The current Decent Homes work profile is focused on the external fabric, but also includes boiler renewal and rewiring. This element of M&E work will supplement the specific allocations for the M&E budgets to more closely mirror the investment requirements identified in the Stock Options projections.

- 9.3 The specific blocks to benefit from the enhancement to the programme will be agreed once the size of the allocation has been confirmed. First call would be given to the "Reserve Schemes" for the 2012-13 programme that were agreed by Cabinet in October 2011. The investment will be targeted to avoid potential conflict with potential options arising from the Stock Options Appraisal.
10. Aids & Adaptations – £1.200m
- 10.1 This demand-led budget funds the adaptation of council homes and the provision of disabled facilities for council tenants and members of their household.
11. Adaptation and Refurbishment of Six Bedroom House - £0.090m
- 11.1 This will enable the creation of a supported living scheme with on site carer for five adults with learning difficulties who are currently living in residential care.
12. Environmental Improvements - £0.250m
- 12.1 This project involves upgrading lighting, entry control and communal water facilities and refurbishing external surfaces.
13. Adaptation of Office Accommodation - £0.150m
- 13.1 This allows the improvement of facilities for customer contact at Gloucester Road and Commerce Road.
14. Conversions and Extensions - £0.550m
- 14.1 To reduce overcrowding in council housing it is proposed to convert seven disused commercial units into family homes and extending five family homes to create extra bedrooms.
15. Energy Efficiency Scheme - £0.100m
- 15.1 This project allows for the installation of low cost but high impact measures, including loft/cavity wall installation and central heating controls, and provides for start up / matched funding to attract additional investment from other funders.
16. Supported Living Scheme - £0.150m
- 16.1 This will enable 3-5 family homes to be adapted to create supported living schemes for people who are currently living in residential care.

17. Supported Living Scheme - £0.150m

- 17.1 This will enable 3-5 family homes to be converted to create suitable short-term accommodation for young care leavers who will be provided with the help and support they need to develop their life skills and prepare for independent living as part of a planned move into social rented housing.

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Appendix 6a - Internal Funding

Draft Capital Programme 2012/13 to 2014/15		Total Planned Expenditure Budget			Total Funding Source	
					(3 years)	
Name of Capital Scheme		Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000
						Total £'000
Place and Sustainability						
Tottenham Hale Gyratory						
Funding previously agreed by Cabinet to enable the Gyratory project to proceed to Phase 2 and to mitigate the possible impact of reduced S106 contribution		500	500	878	1,878	0
Tottenham Regeneration						
Match funding to support bid to GLA totalling £29m for Regeneration in Tottenham. Council element would be expected to include a contribution of £1m to an Opportunity Investment Fund as well as providing available funding for Public Realm work and specific funding for key sites if not fully funded by GLA		500	800	0	1,300	0
Contribution to Northumberland Park Regeneration Programme						
		1,300	2,200	500	4,000	0
Down Lane Park - Master Plan Implementation						
The bid made reflected the cost of implementing the master-planning work previously done on Down Lane Park, thus any reduction in funding from this level would put greater pressure on securing greater external match, and/or reducing the scope of the works		250	250	0	500	0
Repairs and Maintenance of Council Buildings						
The budget is required to deal with high priority Health and Safety and building condition issues in Council operational, commercial and community buildings.		750	750	750	2,250	0
Street Lighting						
Funding required for a rolling programme of investment to replace an aging stock of street lights with more efficient, lower maintenance modern alternatives.		400	400	400	1,200	0
Borough Road and Footways						
Funding for the planned programme of footway reconstruction and carriageway resurfacing on non-principal roads		500	500	500	1,500	0
Road Safety/Drainage/Structures						
Funding is required for Road safety measures, the annual programme of drainage inspection and maintenance and the maintenance of structures such as bridges, subways etc.		300	150	150	600	0

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Appendix 6a - Internal Funding

Draft Capital Programme 2012/13 to 2014/15				Total Planned Expenditure Budget		Total Funding Source	
						(3 years)	
Name of Capital Scheme	Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000	Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000	Total £'000
Parking Plan Parking plan allocations in previous years have been used to fund design and implementation work on CPZs thus generating increased income in some cases and to ensure signs and lines are compliant which protects existing income levels.	150	0	0	150	150	0	150
Total Place and Sustainability	4,650	5,550	3,178	13,378	13,378	0	13,378

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Appendix 6a - Internal Funding

Draft Capital Programme 2012/13 to 2014/15					
Name of Capital Scheme	Total Planned Expenditure Budget			Total Funding Source	
				(3 years)	
	Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000
Total	£'000	£'000	£'000	£'000	£'000
Adults and Housing					
Major Disabled Facilities Adaptations in Non-Council Properties Disabled adaptations provide essential facilities within an individual's own home. They are provided if it is necessary and appropriate to meet the needs of a person who has a permanent disability and has a substantial/critical need. The provision of disabled adaptations is governed by statute. (see Appendix 5b for details of match funding capital grant for this scheme)	700	700	700	2,100	0
Total Adults and Housing	700	700	700	2,100	0
Corporate Resources					
IT Capital Programme To invest in specific business IT projects which deliver efficiencies and improved customer service. All projects require a detailed business case to be presented and approved by Corporate IT Board to ensure they meet strategic aims and can deliver demonstrable outcomes.	250	250	250	750	0
Customer Service Centre Refurbishment Investment will enable refurbishment of the interior spaces of the two Customer Service Centres to provide an enhanced experience for customers in the short to medium term.	100	0	0	100	0
Customer Service Centre Reprovision To identify suitable alternative space for one or both Customer Service Centres to provide greater accessibility, improved layout and use of space e.g. interview rooms and potentially the option to share space with complimentary agencies.	50	0	0	50	0
Total Corporate Resources	400	250	250	900	0
				900	0
					900

Draft Capital Programme 2012/13 to 2014/15				Total Planned Expenditure Budget		Total Funding Source	
Name of Capital Scheme	Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000	(3 years)		Total £'000
					Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000	
Alexandra Palace & Park Charitable Trust							
Refurbishment of Premises and Plant	500	500	500	1,500	1,500	0	1,500
Essential refurbishment of premises and plant to ensure on-going compliance, safety and operability of the site in the short to medium term. This will enable the Palace to continue trading whilst actively pursuing a longer term regeneration solution.							
Total Alexandra Palace & Park Charitable Trust	500	500	500	1,500	1,500	0	1,500
Children & Young People Service							
BSF Programme	0	1,500	0	1,500	1,500	0	1,500
This budget is required to secure the remaining funding for the residual contract payments for BSF, including the ICT Managed Service contract							
Total Children & Young People	0	1,500	0	1,500	1,500	0	1,500
Cross Directorate							
One SAP Programme	650	0	0	650	650	0	650
To cover the costs of transferring to a new managed service contract for SAP including licences for new functionality. Revenue savings on current contract costs should be delivered.							
Programme Support	50	50	50	150	150	0	150
Funding for the overall programme management of the capital programme.							
Total Cross Directorate	700	50	50	800	800	0	800
Total Schemes Competing for Capital Receipts	6,950	8,550	4,678	20,178	20,178	0	20,178

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Appendix 6a - Internal Funding

Draft Capital Programme 2012/13 to 2014/15							
		Total Planned Expenditure Budget			Total Funding Source		
					(3 years)		
Name of Capital Scheme		Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000	Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000
Total		£'000	£'000	£'000	£'000	£'000	£'000
Other Schemes							
Accommodation Strategy							
Previously agreed package to support the Accommodation Strategy funded from ring-fenced capital receipts from Tottenham Town Hall and Station Road, Wood Green		1,430	750	450	2,630	2,630	0
Alexandra Park & Palace Regeneration and Development Programme							
Estimated programme development costs to support a comprehensive regeneration of the whole site during the period 2012-2017 to deliver the stated vision for the Park and Palace and create a viable operating model in the long term.		850	850	250	1,950	0	1,950
Other Schemes							
		2,280	1,600	700	4,580	2,630	1,950
Total Capital Programme - Internal Funding							
		9,230	10,150	5,378	24,758	22,808	1,950

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Draft Capital Programme 2012/13 to 2014/15		Total Planned Expenditure Budget		Total Funding Source (3 years)							
Name of Capital Scheme	Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000	Capital Grants From Central Government Departments (inc SCE(C) £'000	Grants & Contribution From Private Developers & Leaseholders £'000	Grants & Contribution From Non-Departmental Public Bodies £'000	Capital Funding From GLA Bodies £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	Total £'000
Place and Sustainability											
Lordship Lane Recreation Ground	3,120	461	160	3,741	0	0	3,741	0	0	0	3,741
TFL*	2,267	2,120	2,100	6,487	0	0	0	6,487	0	0	6,487
Total Place and Sustainability	5,387	2,581	2,260	10,228	0	0	3,741	6,487	0	0	10,228
Adults and Housing											
Major Adaptations in Non Council Owned Properties*	836	836	836	2,508	2,508	0	0	0	0	0	2,508
Community Capacity Grant Schemes	576	0	0	576	576	0	0	0	0	0	576
Total Adults and Housing	1,412	836	836	3,084	3,084	0	0	0	0	0	3,084
Corporate Resources											
IT Infrastructure Renewal Programme *											
Desktop and Laptop	1,200	1,200	0	2,400	0	0	0	0	2,400	0	2,400
Infrastructure Renewals	1,345	387	0	1,732	0	0	0	0	1,732	0	1,732
Total Corporate Resources	2,545	1,587	0	4,132	0	0	0	0	4,132	0	4,132
Children & Young People Service											
BSF Programme*											
Heartlands High School	840	0	0	840	0	0	0	0	840	0	840
Woodside High	300	0	0	300	0	0	0	0	300	0	300
ICT MSP Contract	1,330	560	0	1,890	560	0	0	0	1,330	0	1,890
BSF Other - Total	640	0	0	640	0	0	0	0	640	0	640
(A) Sub-total BSF Programme	3,110	560	0	3,670	560	0	0	0	3,110	0	3,670
Primary and Pre-School Programme*											
Broadwater Farm ILC	3,154	1,254	0	4,408	1,254	0	0	0	0	3,154	4,408
Rhodes Avenue Expansion to 3 FE	2,670	787	0	3,457	787	0	0	0	0	2,670	3,457
Muberry modernisation	726	164	0	890	890	0	0	0	0	0	890
Alexandra - Primary Expansion	490	790	280	1,560	1,560	0	0	0	0	0	1,560
Belmont - Primary Expansion	670	1,090	380	2,140	1,050	1,090	0	0	0	0	2,140
Lancasterian - Primary Expansion	780	1,260	440	2,480	2,480	0	0	0	0	0	2,480
Welbourne - Primary Expansion	1,240	2,020	700	3,960	2,810	0	0	0	0	1,150	3,960
Primary Pupil Place expansion fund	500	0	0	500	0	0	0	0	0	500	500
Ferry Lane MUGA	70	0	0	70	0	0	0	0	0	70	70
Alternative Provision	0	1,000	0	1,000	1,000	0	0	0	0	0	1,000
Programme Delivery Costs	800	700	600	2,100	2,100	0	0	0	0	0	2,100
Programme Contingency	1,500	0	0	1,500	750	0	0	0	0	750	1,500
(B) Sub-total Primary and Pre-School Programme	12,600	9,065	2,400	24,065	14,681	1,090	0	0	0	8,294	24,065
Planned Asset Improvement*											
Planned and reactive condition works	1,000	1,000	1,000	3,000	2,000	0	0	0	0	1,000	3,000
School Kitchen enhancements	200	200	200	600	600	0	0	0	0	0	600

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Appendix 6b - External Funding

Draft Capital Programme 2012/13 to 2014/15											
Total Planned Expenditure Budget				Total Funding Source (3 years)							
Name of Capital Scheme	Proposed Original Budget 2012/13	Indicative Original Budget 2013/14	Indicative Original Budget 2014/15	Capital Grants From Central Government Departments (inc SCE(C))	Grants & Contribution From Private Developers & Leaseholders	Grants & Contribution From Non-Departmental Public Bodies	Capital Funding From GLA Bodies	Financing From General Fund Revenue Account	SCE (R) Single Capital Pot	Total	
	£'000	£'000	£'000								£'000
Electrical infrastructure upgrades	500	0	0	500	0	0	0	0	500	500	
Lifecycle works (Secondary Schools)	200	200	200	600	0	0	0	0	600	600	
Carer Home adaptations	100	0	0	100	100	0	0	0	0	100	
Total Capital Programme - Internal Funding	2,000	1,400	1,400	4,800	2,700	0	0	600	1,500	4,800	
Devolved Schools Capital*											
Devolved Capital	800	800	800	2,400	2,400	0	0	0	0	2,400	
(D) Sub-total Planned Devolved Schools Capital	800	800	800	2,400	2,400	0	0	0	0	2,400	
Total Excluding BSF (B+C+D)	15,400	11,265	4,600	31,265	19,781	1,090	0	600	9,794	31,265	
Total Children & Young People	18,510	11,825	4,600	34,935	20,341	1,090	0	3,710	9,794	34,935	
Total Capital Programme - External Funding	27,854	16,829	7,696	52,379	23,425	1,090	3,741	6,487	7,842	52,379	
*estimated figures to be reviewed when resource position confirmed and programme revised.											

*estimated figures to be reviewed when resource position confirmed and programme revised.

Draft Haringey Council Capital Programme 2012/13 to 2014/15

Draft Capital Programme 2012/13 to 2014/15		Total Planned Expenditure Budget		Total Funding Source	
				(3 years)	
Name of Capital Scheme		Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000
					Financing From HRA £'000
					Total £'000
Housing Services (Housing Revenue Account (HRA))*					
Programmed Works					
Mechanical and Electrical		1,250	1,250	1,250	3,750
Asbestos Removal		100	100	100	300
Boiler Replacements and Major Repairs		3,500	3,500	3,500	10,500
Lift Renewal		2,181	2,181	2,181	6,543
Structural Works		600	600	600	1,800
Capitalised Repairs		4,563	4,000	3,750	12,313
Extensive Void Works		1,350	1,650	1,821	4,821
Major Voids and Accommodation Improvements		500	0	0	500
Decent Homes		26,500	14,451	27,480	68,431
Aids and Adaptations		1,200	1,200	1,200	3,600
Professional Fees		1,508	1,671	1,750	4,929
Sub-total		43,252	30,603	43,632	117,487
Projects					
Adaptation and Refurbishment of Six Bedroom House		90	0	0	90
Environmental Improvements		250	0	0	250
Adaptation of Office Accommodation		150	0	0	150
Conversions and Extensions - disused commercial units		550	0	0	550
Energy Efficiency Programme		100	100	100	300
Supported Living Scheme		150	0	0	150
Supported Living Scheme		150	0	0	150
Sub Total		1,440	100	100	1,640
Total Housing Services (Housing Revenue Account)		44,692	30,703	43,732	119,127
					119,127
					119,127

Recommendations of the Overview and Scrutiny Committee

RESOLVED that the following recommendations be presented to the Cabinet on 20th December in response to the draft medium term financial planning 2012-13.

CO2

	Recommendations
1.	<p>Whilst the overall objective of carbon reduction is one of the most important for the future of the borough, the annual carbon report could be improved by being better structured. Future reports and, when developed, the borough-wide strategy could particularly benefit from;</p> <ul style="list-style-type: none"> • Greater clarity and detail on how objectives will be reached; and • The use of accessible language to make them easier to promote to the local community and beyond.
2.	<p>The calculation of expended and saved carbon is an issue and the Panel felt that some of the claims made are hard to justify: they could either be over or under estimates. The Panel is of the view that more could be done to accurately measure CO2 burdens and the impact of savings on energy bills, such as cost benefit analysis.</p>
3.	<p>The Sustainable Investment Fund (SIF) has been very successful and consideration should be given to expanding the fund to accelerate and increase the number of projects in the Council and to ensure that as much of the fund as possible is in circulation (recycled) at any time.</p>
4.	<p>The biggest single area of council activity that generates CO2 is education. The Panel is disappointed that, despite significant investment, comparatively small CO2 savings and cumulative cost avoidance has been recorded so far. The schools SIF programme should be reviewed and, if significant improvements are proven to be feasible, consideration given to additional investment from central Council reserves. It was also of great concern that there was little understanding of the significant differences in CO2 savings made by mainstream SIF and Schools SIF.</p>
5.	<p>The Panel notes the core-funded salaries of £125k of the ERT Carbon Management and Sustainability Team as well as the grants received set out in Table 2 of Appendix 2 of the submitted report. The Panel requests that, in the interests of transparency, greater clarity be provided on where the grant money is being spent, particularly on "feasibility and business planning".</p>
6.	<p>The Panel notes the examples of future funding opportunities including</p>

	schemes involving European funding. They are of the view that there is limited evidence in the report that these are being maximised and seek reassurance that bids have and will be made.
7.	The Panel felt that more information could have been included within the report on the Green Deal. It notes that the government consultation on the draft Green Deal proposals is expected to be released within the next few weeks and that the Carbon Commission will help develop the Council's approach. It requests that the Council, in its response to the consultation, emphasises that opportunities and loans offered by the Green Deal should benefit the "fuel poor". Furthermore, it requests assurances that, when implemented, the scheme will be fully advertised by the Council and that all residents, particularly the fuel poor, will be encouraged and enabled to take advantage.
8.	The panel was a little disappointed with the slow progress of the 40/20 Club, acknowledging the significant role that large and small businesses and community groups could play in achieving Borough wide CO2 reduction targets. Greater efforts could be made to tap into local resources as part of the development of the 40/20 Club as well as the promotion of cross borough working.
9.	The Panel requests that they be supplied with details of the potential impact on CO2 emissions of council housing stock resulting from changes to Decent Homes funding as part of government spending reductions. It recommends that the Chair write to the Minister of State for Energy and Climate Change expressing concern at: <ul style="list-style-type: none"> a) The loss of Decent Homes funding and requesting that the government consider appropriate action to ameliorate the effects on the fuel poor; and b) The reduction in the FIT tariff proposed by the government and that this constitutes part of the Council's response to the ongoing consultation on the issue.
10.	That consideration be given to accelerating progress with the expansion in the number of car clubs.
11.	That, in respect of LIP schemes, action on improving traffic flows be prioritised to relieve congestion.

Temporary Accommodation and Homelessness

	Recommendations
1.	That the service carefully considers whether further investment in the assessment process would lead to a faster identification of those not ultimately deemed to be eligible for Temporary Accommodation and therefore save money. The Panel recommends that a business case be produced to consider this and that the DCLG target of 33 days be set as a target to assess eligibility. Performance against this target should be reported to both Cabinet and Scrutiny.
2.	That a strategy and action plan be written with an outcome of reducing the time spent in TA by 15% per annum.
3.	The number of people who are in Housing Association accommodation as temporary accommodation be explored with a view to encouraging Housing Associations to change the tenancies on these properties to secure tenancies.
4.	The panel acknowledges the issues suffered by Haringey due to neighbouring boroughs not complying with the Pan London agreement. Therefore the panel recommends that this is taken up at the highest level to ensure that other authorities stick to this agreement and that the Leader and the Lead Member for Housing write to their counterparts urging observance of the agreement.
5.	That there should be a further consideration of the option to build new council stock or purpose-built temporary accommodation to help reduce the number of people in temporary accommodation and save revenue costs in the longer term.
6.	That capital receipts realised on the sale of Council housing properties should be ring-fenced and used to increase the stock of council housing in the borough.
7.	That options be explored to attempt to bring in more investors for example partnerships with institutional investors. That a feasibility report be produced to explore this.
8.	That there should be an increased effort to confirm the eligibility of people already in Council housing. That the Council investigates the possibility of data sharing across departments to assist in this.
9.	That there be a more determined effort to address the issue of under-occupancy in order to free up larger homes for families in need of this accommodation, particularly where there may be older people no longer able to manage larger properties.

10.	Whilst the panel recognises that there is no longer a national target for reducing the number of people in temporary accommodation the panel recommends that there be a local target of a 5% reduction for each year over the next three years.
11.	That the Council puts increased emphasis on bringing voids back into use and sets a Local Target to be met to allow these properties to be brought back into use as quickly as possible. Any failure to meet this target during 2012-2013 should be the subject of a report to Scrutiny for the first meeting of the 2013 municipal year so that the Committee can decide on what further action to recommend.
12.	That the good service currently provided by the Housing Benefit service to private landlords who provide Assured Short hold Tenancies to homeless households be maintained to discourage landlords from letting their properties through other organisations.

Looked after Children and Associated Legal Costs

	Recommendations
1.	<p>The Panel welcomes the creation of the Transformation Board and acknowledges the good work described in order to stabilise the service. However the Panel feels that it would have been beneficial to set this Board up 18 months earlier.</p> <ol style="list-style-type: none"> 1. The Panel welcomes the work strands identified in the scrutiny report which are set out in detail in the Strategic Improvement Plan (SIP) and are being progressed through the Transformation Board. The Panel asks that it be given the opportunity to scrutinise the SIP in full before its agreement by the Cabinet. 2. The Panel feels that particular emphasis should be placed on 'challenging the length of time some children are looked after and moving children to permanent solutions more quickly'; this should be achieved through a sharper focus on exit plans. 3. The Panel notes that part of the role of the Transformation Board is to monitor the continued overspend within CYPS, and we consider that even if all the major strands of the Board's work are delivered any substantial departmental overspend in the current financial year and/or 2012-13 will be reported back to the Overview and Scrutiny Committee for the consideration of further recommendations.
2.	<p>The Panel recognises the importance of prevention and early intervention services and recommends that any additional investment in Children's Services should be targeted in this area. In particular investment should be prioritised for pre-school and infant age children.</p>
3.	<p>The Panel feels that the absence of a Universal Health Visitor Service is unacceptable and welcomes the work being done with Health Colleagues to put one in place.</p> <p>The Panel recommends that arrangements for the re-provision of a Universal Health Visitor Service be put in place as soon as possible.</p>
4.	<p>The Panel recommends that the review of in-house residential care provision for looked after children be accelerated and that there be clear evidence of outcomes for children and value for money considerations being included as part of any change proposals.</p>
5.	<p>The Panel feels that in order to make best use of resources there needs to be more flexibility in the Legal Aid funding regime including consideration of Legal Aid funding being provided at an earlier stage to support alternatives such as legal negotiations and save court time. The Panel therefore recommends that the Lead Member for CYP write to the Ministry of Justice.</p>
6.	<p>The Panel feels that considerable savings and a better service for clients could be achieved by the use of electronic means to transfer legal case</p>

	work documents. The Panel therefore recommends that officers collaborate with neighboring local authorities to raise this issue with out local courts to identify a local solution.
7.	The Panel welcomes the discussions taking place by the North London Strategic Alliance around the creation of an arm's-length service to undertake assessments in advance of court hearings. The Panel supports and encourages the setting up of such an rganization and would recommend that the work is undertaken in close conjunction with the Barnet Bench to identify the court needs at an early stage.
8.	The Panel welcomes the work programme being undertaken by the North London Strategic Alliance around, bench-marking and supports and encourage this work as it represents an opportunity to learn best practice by member councils.
9.	The Panel expressed its concern over the relatively poor performance against comparator authorities in respect of numbers of adoptive placements. Where adoption is the most appropriate and best outcome for a looked after child the panel recommends that processes be put in place to speed up this outcome; this will include improving the efficiency of processes for identifying and evaluating the suitability of prospective adopters in addition to improving the time-frame for placing suitable LAC in adoptive placements.
10.	<p>The Panel expressed concern over the lack of a clear strategy for increasing the number of Foster carers in the borough, and that a new strategy should be delivered expeditiously:</p> <ul style="list-style-type: none"> a) The Panel recommends that a new strategy to recruit foster carers should be developed with much better targeting of different demographic groups. b) The strategy should be clear about how an increased use of in-house provision will be met by a corresponding reduction in other, more expensive, external provisions as this was not borne out by the performance data submitted. c) The Panel recommends that a target should be set for increasing the number of available in-house foster families for our looked after children and young people by 15% in each of the next three years.
11.	The Panel wishes to express its concern that proposed changes to the Housing Benefit regime could act as a disincentive to foster carers. The Panel recommends that a concession be provided so that spare rooms held by foster carers pending placement of a Looked after Children should be discounted from Housing Benefit calculations on 'spare capacity' and would ask that a robust response be made to relevant consultations on this aspect.
12.	The Panel encourages the service to consider reviewing the approach for families with complex care needs based on the 'Hackney model' of there being a single team working with a family right through the care plan. It recommends that, following such a review and evaluation, a pilot scheme be undertaken for families with multiple difficulties or complex

	needs unless compelling evidence is found to discount such an approach. Based on evidence of a stabilised workforce the Panel now believes that conditions are right to pilot such an approach in order to provide continuity of care.
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Initial analysis of comments received to date during consultation on the draft Budget proposals

- 1 A number of comments were made over the full range of the Council's priorities.
- 2 The questionnaire sought views on how, in addition to the actions it is already taking, the Council could be more efficient. A number of ideas and suggestions were made across a number of themes – such as reviewing assets, enforcing penalties and improving the customer service culture.
- 3 The questionnaire sought views on how, in addition to the actions it is already taking, the council could save money. Consultees made a number of suggestions, including increasing charges and more effective lobbying of government.
- 4 Views were sought on what the money saved should be used on. The majority of respondents on this point suggested greater investment in children and young people's services; the second most popular area was adults' services.
- 5 Ideas for raising income levels included raising charges and using assets more effectively were provided.
- 6 All comments are currently being analysed and that analysis, including further comments expected during the remainder of the consultation period, will be made available prior to the Cabinet's meeting in February 2012.

