

Medium Term Financial Plan Summary 2013/14 to 2015/16

	2013/14 £000's	2014/15 £000's	2015/16 £000s	Total £000's
Reported Budget Gap as at February 2011	6,051	19,273	0	25,324
Changes to the Council's Resource Base				
Earley Intervention Grant passported to DSG	3,043	654	0	3,697
Central LACSEG removed from RSG	1,246	600	600	2,446
Modelling assumptions based on draft Council Tax Support Scheme	-3,000	0	0	-3,000
Phased loss of Benefits Administration Subsidy	297	1,000	750	2,047
Revised Collection Fund Assumptions	1,681	0	0	1,681
Housing Growth Grant discontinued	51	0	0	51
Rights to Free Travel Grant discontinued	24	0	0	24
Learning Disabilities Grant - revised forecast	-131	-83	0	-214
Preventing Homelessness Grant - revised forecast	179	0	0	179
NHS Grant - revised forecast	-2,180	1,790	0	-390
Assumption that only 50% of New Homes Bonus/Capitalisation top slice may return	1,297	-649	0	648
Increased New Homes Bonus Grant	-1,336	0	0	-1,336
Change in RSG levels over estimates etc.	-921	2,889	11,366	13,334
Council Tax Freeze Grant	-1,000	0	1,000	0
Revised Gap after Resource Changes	5,301	25,474	13,716	44,491
Service and Demand Pressures				
Estimated Pensions re-valuation from 14/15 onwards	0	1,000	0	1,000
Growth Proposals	4,500	960	640	6,100
Savings Proposals	-7,083	-6,144	-625	-13,852
Reprofiling and revisions to pre-agreed savings	1,904	-1,292	230	842
Youth Justice Board - withdrawal of funding	768	0	0	768
Revised inflation assumptions	-800	-3,000	5,000	1,200
Estimated demographic pressure	0	0	4,000	4,000
Estimated Fees and Charge increases	-350	0	0	-350
Treasury Management - improved forecast	-1,000	0	0	-1,000
Re-profiling met from reserves	-1,904	1,904	0	0
Net Gap to find as at December 2012	1,336	18,902	22,961	43,199

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Savings Proposals for consideration	2013/14	2014/15	2015/16	Total
	£'000	£'000	£'000	£'000
Adults & Housing	1,447	1,200	365	3,012
Children's Services	3,025	2,975	0	6,000
Place & Sustainability	671	980	200	1,851
Chief Executive's Service	235	264	60	559
Corporate Resources	1,705	725	0	2,430
TOTAL	7,083	6,144	625	13,852

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Savings Proposals - Adults & Housing						
Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further information/Impact on Performance (Service Delivery)
A1	Staffing reduction	0	0	80	80	This is a reduction to the senior management team; a deletion of 1 senior manager post in the light of service closures and restructures.
A2	New model of service delivery for Occupational Therapy and possibly Social Work Assessment.	0	180	0	180	Proposal is to explore: (i) integration of occupational therapy and social assessment with a community health partner; or (ii) work with a partner / another council. This will achieve budget savings through improved integrated working and consequently some staffing savings.
A3	Redesign of Adult Social Work Assessment Service	300	420	0	720	This will involve a large restructure of the management of social work staff and will require significant staff consultation and changes to business processes.
A4	Process improvements within personalisation and assessment	0	0	35	35	No impact on service delivery
A5	Integrated Access Team Officers. Reduction of two posts.	65		0	65	Efficient systems management should be able to mitigate against any reduction in responsiveness.
A6	Day Centre Temporary Day Service Officers - delete 4 posts	25	85	0	110	Successful training for staff to work with people who have both mental and physical health needs means that the service has been fully integrated and the service can be managed effectively without the additional temporary posts required to assist the transition
A7	Senior Reablement Worker - deletion of 1 post.	30	0	0	30	Low impact as this is a new post that has never been recruited to. Vacant Post.
A8	Prevention service - Service Support officer - deletion of 1 post.	0	35	0	35	This is not a front-facing post and there is no direct contact with the public. Most of the work was for the Residential Homes which have now closed and sheltered step-down. Given the closures it is now possible to manage without this post.
A9	Catering Contract Manager - deletion of one post.	40	0	0	40	Manages & monitors meals contract and home 'nutrition advisor'. Now residential homes have closed and Meals service is moving to tri borough cost and volume contract arrangement it is now possible to manage without this post.
A10	Learning Disability Day Opportunities Restructure - delete 4.5 posts (1 currently vacant).	130	0	0	130	This is a re-structuring of Learning Disabilities Day Opportunities' management and supervisory posts with the aim of rationalising the management structure.
A11	Learning Disability Community Support Worker (Adult Placement Team) - delete 1 post.	30	0	0	30	Delete one vacant post. There is little or no impact on service delivery. This is a vacant position the service has held for over a year.
A12	Learning Disability Support Worker (Day Opportunities) delete 1 post - currently vacant.	20	0	0	20	Delete 1 vacant post.
A13	Voluntary Sector Strategy	50	200	100	350	Through the implementation of the Voluntary Sector Commissioning Framework; more focused service specifications, a greater emphasis on collaboration between agencies these savings will be achieved
A14	A Framework-1 (Children & Adults client data base) system improvement (efficiency) change		10		10	No service impact. An efficiency following a systems process change.
A15	Framework 1 (Children & Adults client database) contract renegotiation	50	0	0	50	No service impact. Contract cost reduction

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Savings Proposals - Adults & Housing						
Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further Information/Impact on Performance (Service Delivery)
	Business Unit					
A16	Adults	0	0	150	150	Develop a Supported Housing scheme for six to seven young disabled adults. Supported Living is a model of care that promotes independence and helps clients to remain within the community. As such it is the preferred model of care and represents a better service
A17	Adults	200	200		400	Likely to include some front line staff although this will be minimised as far as possible. May therefore have an impact on performance.
A18	Housing	170	0	0	170	This saving involves the merger of two lettings teams and deletion of the dedicated visiting team to create a single team with a broader range of functions and responsibilities.
A19	Housing	40	0	0	40	Review of the service in the light of Welfare Reforms and the deletion of one post. Capacity in the team will be reduced and there is a risk that performance could be affected.
A20	Housing	40	30	0	70	This saving depends on process improvements being achieved, without which there could be a loss of responsiveness and support to the professional staff
A21	Housing	60	0	0	60	Increased automation of the housing register and applications has created scope for efficiencies. This assumes that demand remains at the current level.
A22	Housing	60	0	0	60	This involves the deletion of the specialist overcrowding officer post and a reduction in the overall size of the team.
A23	Housing	80	40	0	120	May reduce levels of rent collected and support provided.
A24	Housing	57	0	0	57	No impact on service delivery.
	Total Adults & Housing	1,447	1,200	385	3,012	

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Savings Proposals - Children's Services

Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further Information/Impact on Performance (Service Delivery)
Business Unit						
C1 Children and Families	Reduction in LAC Placements.	2,410	2,250		4,660	Achieving the target set out will bring the Council into line with the average performance of our Inner London statistical neighbours.
C2 Children and Families	Review of Early Years Services.		150		150	This is an efficiency contribution to savings.
C3 Children and Families	Net reduction in staffing requirements following early intervention processes and reductions in numbers of LAC.	85	150		235	Providing that the reduction in LAC happens as planned the impact on performance should be minimal
C4 Children and Families	Reduction in Legal Services budget as a result of fewer care proceedings.	50	50		100	Providing that the reduction in LAC happens as planned the impact on performance should be minimal.
C5 Children and Families	Reduction in the need for Contact Services following reductions in numbers of LAC.	30	50		80	Providing that the reduction in LAC happens as planned the impact on performance should be minimal.
C6 Children and Families	LAC Commissioning Savings flowing from the work of the North London Strategic Alliance	150	0		150	Reduction in price paid may result in reduction in choice of placements
C7 Children and Families	Review of the Fostering and Adoption services to achieve better value for money outcomes	50	75		125	This proposal is anticipated to improve the performance and value for money of the service.
C8 Children and Families	Reduction in SEN transport costs	100	150		250	Provision of more local places at the Brook and Riverside have reduced our costs and improved our offer to families.
C9 Prevention and Early Intervention	Consolidation of arrangements for Youth Offending, Alternative Provision and Behaviour Support services to achieve efficiencies.	150	100		250	A review is underway of management and service delivery in YOS, Alternative Provision and YCP. We intend to rationalise the offer and deliver efficiencies through a more unified approach.
Total Children's Services		3,025	2,975	0	6,000	

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Savings Proposals - Place & Sustainability						
Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further information/Impact on Performance (Service Delivery)
	Business Unit					
P1	Corporate Property Efficiency savings through centralisation of Facilities Management functions for all Council occupied buildings to achieve lower costs through standardisation and maximising purchasing power.	25	75		100	No adverse impact on service delivery is anticipated.
P2	Corporate Property Efficiency savings in senior management, project management/support and information/administrative support through merger of Corporate Property and Capital Projects to form a new business unit: Property & Major Projects	100	100		200	Majority of capital project delivery team funded by capitalisation against projects. Revenue savings predicated on more efficient use of shared resources and by maintaining fee charges at current prices.
P3	PRE Additional income from Planning Fees	25			25	No impact
P4	PRE Delete Team Leader Post in Service Management		80		80	Reduction in Management and Reallocation of Responsibilities across the Business Unit
P5	PRE Reduce Management within Carbon Management Team	75			75	Reduction in Management given development of projects work under Assistant Director post
P6	Leisure and Culture Allotments - increase in fees	30	30		60	The increase will move charges from full cost recovery to a surplus position, and provide for £30K reinvestment in the service in 2013/14.
P7	Leisure and Culture School Swimming - increase charges to schools	70			70	No direct impact on the delivery or sessions unless schools choose to cancel sessions.
P8	Leisure and Culture Amend Council policy to allow more events in Finsbury Park	40	45		85	This will require a change in the Council's agreed policy for events in parks. The change would need to remove the restriction at Finsbury Park and develop policy to cover the cost of hiring and using all parks.
P9	Leisure and Culture Deletion of Mobile Library Service		100		100	Reduce access to Library Services
P10	Leisure and Culture Further reduction in Leisure Staffing		50		50	Limited impact, as part of a reduction and reorganisation of Service Commissioning and Client functions.
P11	Single Front Line Restructure Enforcement response (noise service) to enable the deletion of 1 post	40			40	The service will reduce its operating hours by 10%.
P12	Single Front Line Revision to Arrangements for Area Committees / Forums	147			147	To reduce the support to Area Committees which includes not supporting Area Action Plans and maintaining distribution lists. Also reducing the available level of support for Single Frontline consultations and engagement proposals.
P13	Single Front Line Increase in pest control charges to Homes for Haringey by 2.5%	19			19	No impact

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Savings Proposals - Place & Sustainability

Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further information/Impact on Performance (Service Delivery)
P14	Change in Penalty Charge Notice band across the borough. Higher band already in operation in Wood Green and this will bring the rest of the borough in line.		400		400	Parting compliance and income may be affected.
P15	Re-organisation efficiency savings		100		100	No impact.
P16	Increase in income received from North London Waste Authority as payments for commingled recycling (CIPS)	100			100	No impact on service delivery - the increased income is related to increases in levels of commingled recyclates collected by the Council.
P17	Conduct service review to rebalance street cleansing aligned with need			200	200	Any change in service will be predicated on minimising the potential impact on overall street cleansing performance targets.
Place & Sustainability Grand Total		671	900	200	1,851	

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Savings Proposals - Chief Executive

Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further information/Impact on Performance (Service Delivery)
Business Unit						
E1	Reduce overtime, Member training and conference budgets	45			45	This proposal involves changing working practices to work more flexibly. It also means a reduction in Member training spend.
E2	Reduction to central marketing budget	30	29		59	
E3	As the Council's workforce reduces some further reduction in the HR service can be made.		100		100	This proposal is likely to result in a reduction in services specific to Haringey.
E4	Secretariat support rationalisation	60			60	Impact will be managed.
E5	Likely reduction in canvassing costs following introduction of Individual Voter Registration.		35		35	Once IVR is implemented costs will shift from canvassing to initial registration.
E6	Centralising of all L&D, change and service improvement staff and budgets.			60	60	Impact manageable
E7	Reduction in the size and capacity of the communications and consultation service	100	100		200	This saving will reduce the capacity of the work of the team.
Total Chief Executive's Service		235	264	60	559	

Savings Proposals - Corporate Resources						
Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Further information/impact on Performance (Service Delivery)
Business Unit						
R1	N/A - financing adjustment	900			900	Infrastructure Renewal Programme will be delivered under budget and prudential borrowing will not be required
R2	ICT	500	(500)		0	None
R3	ICT		100		100	None
R4	ICT		500		500	Operational service levels will be reviewed to meet this reduced budget
R5	Procurement		45		45	The reduction may impact upon performance.
R6	Procurement		40		40	Will require changed processes across the council.
R7	Audit and Risk	150			150	Operational processes to handle insurance claims against the Council will not be affected.
R8	Audit and Risk	10			10	Operational processes will not be affected - audit plan will be kept under review to focus on high risk areas.
R9	Audit and Risk	40			40	Operational processes may be affected depending on the areas identified for savings
R10	Legal		325		325	Turnaround time on legal work will increase. The volume of legal work has to decrease in order to deliver these savings.
R11	Corporate Finance		150		150	Will require buy in, across the organisation, to revised procedures & processes.
R12	Revenues, Benefits and Customer Services	20			20	No impact.
R13	Revenues, Benefits and Customer Services	35			35	Performance levels maintained
R14	Revenues, Benefits and Customer Services		65		65	Role to be covered by other Assistant Heads in post.
R15	Legal	50			50	None expected as the increased activity will be met from existing resources
Total Corporate Resources		1,705	725	0	2,430	

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Investment Proposals for consideration				
	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000
Adults & Housing	4,400	650	950	6,000
Children's Services	0	0	0	0
Place & Sustainability	100	0	0	100
Chief Executive's Service	0	310	(310)	0
Corporate Resources	0	0	0	0
TOTAL	4,500	960	640	6,100

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Investment Proposals for consideration

	Directorate/Service Area	Proposed Use of Investment & Justification (KPIs etc)	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Adults & Housing						
A1	Adults	Care Costs for Young People in transition from Children's to Adults Services.	0	1,250	1,350	2,600	Transition - To fund the care needs of young people when they leave school or reach 18 in 2013-16. All client groups. A total of 173 children over 3 years.
A2	Adults	Care costs arising from NHS Continuing Care Reassessments	3,600	(200)		3,400	To fund the increased care costs of Learning Disabilities and Mental Health clients transferred from Continuing Health Care Funding.
A3	Housing	AST Incentives - homelessness prevention	800	(400)	(400)	0	Provision of incentives to private sector landlords for access to good quality private sector lets, allowing the Council to discharge duty to households who approach as homeless.
	Total Adults & Housing		4,400	650	950	6,000	
	Place & Sustainability						
P1	PRE	Increased cost of neighbourhood Planning related work due to Localism Bill	100			100	To meet increased statutory requirements due to Localism Act and manage the growth in demand from Planning and Regeneration projects and additional changes in planning legislation.
	Total Place and Sustainability		100			100	
	Chief Executive's Service						
E1	Elections	Funding for 14/15 Local Council Election		310	(310)	0	Statutory requirement
	Total Chief Executive's Service			310	(310)	0	

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Commitments to Pre-Agreed Savings

Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Reason for change
Corporate Resources						
1 Revenues, Benefits and Customer Services	Sharing or externalisation of call centre	100		(100)	0	To be re-profiled from 13/14 to 15/16 and incorporated into savings derived from the review of the customer service offer.
2 Corporate Finance	Review finance support post Support Functions Review.	230	(230)		0	Requirement to re-profile to 2014/15 to enable a single staffing review to be undertaken alongside other 2014/15 savings. The effects of the significant SFR restructure in 2011 are still being experienced; 2013/14 would be too early and could destabilise the service.
3 Corporate Finance	Increase debt collection of miscellaneous debts	150			150	Current income collection levels have not made this saving possible as proposed.
4 Procurement	Reduction in accounts payable team	100	(100)		0	Reduction in budget through staffing efficiencies will not be met in 2013-14, but will be actioned after the implementation of ONE SAP. E-invoicing solution to be implemented in 2014-15.
Total Corporate Resources		580	(330)	(100)	150	
Chief Executives						
1 Cross Cutting	Reduce one head of service plus two managers	200			200	It is now proposed that this saving will be delivered by efficiencies and staff reductions across the Communications team. These are set out as new savings
2 OD&L	Share OD Services with WF - this is a proposal to share the Head of OD and thereafter to look for a single OD service offer. Initial work has focussed on sharing training commissioned spend.	50		(50)	0	To date £100k of saving have been delivered through the sharing of services with Waltham Forest and by not filling vacant posts. Any further savings can only be achieved by centralising spend on change, L&D and service development spend within the council, which is proposed as a new saving.

Amendments to Pre-Agreed Savings

Directorate/Service Area	Efficiency & Saving proposal	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Reason for change
3 OD&L	Review of OD&L - The review of Organisational Development activity will aim to improve the OD Service Offer to the council in the context of the need for savings and efficiencies.	80		(80)	0	The service has delivered a budget reduction of 70% over 2011/12 - 2013/14 (£1.25m). The service is now shared with LBWF. Any further reductions need to be achieved by centralising training, change and service development resources and spend. Reprofile to 2015/16 over 2014/15.
Total Chief Executives		330	0	(130)	200	

Place and Sustainability		2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000	Reason for change
1 Corporate Property	Reduction in Office Accommodation and future savings through revised accommodation plan	750	(750)		0	Saving for 2012/13 being achieved. For the remainder, savings identified to date fall short by £500K which is currently part of the property review work. Of the savings identified there is a slippage of £750K from 2013/14 into 2014/15 and future years.
2 Single Front Line	Reduce Contract Monitoring of Veolia Contract	212	(212)		0	Saving possible once contract has bedded in, incl. rollout of fortnightly collections. Request saving be slipped to 2014/15.
3 Cross-Cutting	Savings on Security Costs at Customer Service Centre's	32			32	Saving will not be achieved in this way. Alternative savings have been made in the service.
Total Place and Sustainability		994	(962)	0	32	
TOTAL		1,904	(1,292)	(230)	382	

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HOUSING REVENUE ACCOUNT 2013/14 to 2015/16

1 Summary

- 1.1 The report makes recommendations in respect of the Housing Revenue Account MTFP and capital programme 2013-18.
- 1.2 It also makes recommendations about HRA rent increases, service charges, and the future maintenance and improvements programme, on the basis of which overall financial assumptions for 2013-18 are recommended.
- 1.3 The report advises Cabinet of the current position in respect of the 30 Years' Business Plan.

2 Other options considered

- 2.1 The Council is required to approve an HRA budget and Capital Programme for 2013-14 and to set rent and service charges for the year. The report outlines the considerations the Cabinet should take into account and the options available to them in doing so.

3 Background information

- 3.1 Under the provisions of the Localism Act 2011, on 1 April 2012 the previous Housing Revenue Account subsidy system was abolished and replaced by a system of self-financing.
- 3.2 Under the new system housing authorities no longer receive HRA subsidy but are allowed to retain all rental income and make decisions on how to spend it to meet their local housing needs.
- 3.3 The introduction of Self Financing was accomplished with a final debt settlement between Central Government and Local Authorities. Although most authorities were required to take on additional debt, Haringey had £234 of its housing debt paid off.
- 3.4 The Council must set a balanced HRA budget each year, using rent and other revenue collected to manage and maintain its housing stock and to pay all interest and financing costs associated with its housing debt

4 Rent increases

- 4.1 Under the self-financing regime rents are the main source of income for the HRA and Cabinet continue to be required to make decisions annually on the level of increases. At the February meeting, Cabinet will be asked to agree a recommendation to Council.
- 4.2 For several years it has been the Council's policy to set rent increases in accordance with government policy following the rent restructure guidance. This policy is based on gradually increasing council housing rents to that they converge with typical rent levels of other social landlords.
- 4.3 Although the Council is not required to follow rent restructuring, the calculations underpinning the self financing model assume that it will do so and it will not be possible to meet the investment needs of Haringey's stock without achieving this level of income. Setting lower rents will reduce the income available to the HRA and

restrict the funding available for housing services and capital investment.

- 4.4 Conversely, although the Council has some freedom to set rent levels slightly above rent restructuring, in previous years the DWP has used the limit rent mechanism to restrict the Housing Benefit subsidy payable to councils who levy excessive rent increases. Clear guidelines of how this will work in 2013-14 have not yet been announced. However the introduction of Welfare Reform and the economic climate are likely also to make it difficult to collect large rent increases from tenants.
- 4.5 It is therefore recommended that Cabinet continues to follow their established policy with target rent increases for 2013-14 reflecting the September 2012 RPI announcement (2.6%) and convergence in April 2016.
- 4.6 The exception to this will be where a tenancy comes to an end and the property is relet to a new tenant. It is recommended that in such cases the rent should be raised immediately to the target rent thereby achieving convergence in advance of the main stock. The amount of additional income raised will be dependent on the properties that become vacant in year but is estimated to be in the region of £62k.
- 4.7 The average weekly dwelling rents with caps and limits applied according to the Government's restructuring policy will increase by £4.19 (4.45%) from £94.04 to £98.23. There will be differing increases across dwellings as set out below:

Forecast weekly dwelling rents for 2013-14 with caps and limits applied

Number of Bedrooms	Number of Properties	Min Rent	Max Rent	Average Rent
0	144	63.49	108.86	79.40
1	5,631	53.69	131.51	84.03
2	5,437	75.64	140.91	98.19
3	4,029	71.69	146.45	112.83
4	621	83.38	155.13	127.74
5	102	98.98	162.67	147.36
6	11	128.30	171.04	155.54
7	2	130.23	166.29	148.26
8	1	168.22	168.22	168.22
Grand Total	15,978	53.69	171.04	98.23

Percentage increase in weekly dwelling rents for 2013-14 with caps and limits applied

No of bedrooms	Minimum	Maximum	Average
	%	%	%
Bedsit	1.3	6.5	4.8
1	1.0	7.1	4.4
2	2.2	5.9	4.5
3	2.1	6.1	4.4
3+	2.6	5.6	4.3
All dwellings	1.0	7.1	4.5

Range of changes

Amount	Number of properties
Less than £4.00	7092
Between £4.00 and £5.00	5920
Between £5.00 and £6.00	2741
Between £6.00 and £7.00	225
Total	15,978

- 4.8 Were the Council not to implement the full increase the loss of rent would be £810k per annum for each 1% of reduced increase. This would reduce the revenue contribution to the capital funding available for the Decent Homes programme and is not recommended for that reason.
- 4.9 Alternatively, if the Council wished to raise additional rental income, Homes for Haringey have identified a way to raise an additional £490k that is not far out of line with the rent restructuring model and the limit rent. This would ensure that all rents increased by RPI + 0.5% + £2 except where a property was already at the maximum rent for its size. Under this scenario, most rent increases would be in the range 3.1% to 6%. The additional income would be available for investment in the decent homes programme or in additional services for tenants such as the cyclical maintenance programme.
- 4.10 Over 70% of the Council's tenants currently have at least part of their rent paid by benefits.
- 4.11 For financial planning purposes only at this stage the Cabinet are asked to agree the inclusion of the rent increases detailed in paragraph 5.7 above.

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 unless this would be an increase of more than the limits used in rent restructuring in which case charges are increased by RPI + 0.5%. For 2013-14 this is equal to 3.1%. Except in unusual circumstances it has not been the policy to compensate for under

or over recovery in previous years. However charges will be adjusted for future years to avoid its continuance.

5.3 Based on current policy the following adjustments to charges are recommended:

Charge	Recommended Increase	Forecast Income 2013/14 before review	Forecast Income 2013/14 after recommended changes	Forecast Additional Income
	%	£	£	£
Concierge	1.8%	1,475,700	1,531,600	55,900
Grounds Maintenance	2.8%	1,212,200	1,269,900	57,700
Caretaking	3.1%	2,165,700	2,276,800	111,100
Street Sweeping	-2.5%	1,539,300	1,530,100	-9,200
Communal Lighting	-29.5%	1,254,800	901,600	-353,200
District Heating	8.0%	371,600	409,300	37,700
Integrated Reception Service (Digital TV)	0.0%	347,000	387,100	40,100
Estates Road maintenance	2.2%	219,500	228,700	9,200
Water	n/a	-	64,700	64,700
Total Charges including Water Rates	4.7%	5,401,300	5,664,900	263,600

Forecast additional income based on number of Tenants x increase in charge x 98% (Recovery rate- i.e. 2% void and bad debts)

- 5.4 Reductions are recommended in Street Sweeping and Light and Power where the current level of charge is resulting in an over-recovery. For other service charges increases are recommended at the lower of 3.1% or full cost recovery.
- 5.5 Service charges other than District Heating charges are eligible for Housing Benefit. (District Heating charges are for the supply of heat from a central supply to individual properties. As such they are not considered to be part of the rental cost.)
- 5.6 A new charge has been proposed for bin and chute cleaning at £0.15 per week for relevant properties.
- 5.7 Homes for Haringey have been requested to give further consideration to other service charges that can be made in general needs or Sheltered Housing. If new proposed charges are identified these will be included in the final HRA rent setting report in February.

6 Revenue Budget and MTFP 2013-16

- 6.1 As part of the Council's budget 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 £1.787m.
- 6.2 In 2013-14 the bulk of this saving (£1.5m) will be made through a review of Housing Management services that is expected to increase productivity resulting in improved services, greater consistency of standards and decreased costs. The balance of

savings, £255k, will be met from back office services. Transitional costs and redundancies (38 FTE estimated) will be met from HRA reserves (subject to value for money consideration.)

- 6.3 Homes for Haringey have identified £652k savings for 2014-15 across a range of services and are developing further proposals to meet the rest of the target (£1.135m to be found.)
- 6.4 The net budget for the managed account which comprises most of the HRA income sources is estimated to realise increased net income of £3.6m arising largely from rent increases discussed above and additional service charges. However this is offset by the need to make an increased provision for bad debts. The level of bad debt has been increasing over recent years and this is expected to worsen following Welfare Reform Act changes including the benefits cap, the under occupation penalty and the payment of housing support to the tenant rather than the landlord under Universal Credit.
- 6.5 The retained Account shows an expenditure reduction of £0.7m arising mainly from the reduction in the Management Fee payable to Homes for Haringey (-£1.787m). However £425k of costs for Broadwater Farm Leisure Centre and ASBAT have been transferred to the HRA from the General Fund following a review of charges between accounts.
- 6.6 There is also new investment growth for activity to support the HRA Estate Renewal work (see below.) This is made up of a contribution to the Regeneration team of £225k for HRA specific activity and £550k one off costs for feasibility studies and other development work.

7 HRA Capital Programme

- 7.1 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 £34.2m of which £16.3m is for a planned programme of works to maintain the stock condition.
- 7.2 In addition there is £15.5m earmarked for Decent Homes, funded from £6.45 Decent Homes Backlog Grant from the GLA and £9m from the HRA revenue surplus.
- 7.3 A further £2.45m is for specific capital projects including loft conversions and the development of Supported Living Schemes. This is funded from HRA internal sources.
- 7.4 Following the introduction of Self Financing, Council Officers and Homes for Haringey are developing a 30 year business plan that will set out the proposed use of HRA borrowing capacity and future income streams in order to improve and enhance the condition of the housing stock and support wider Council priorities and Regeneration aims. This is a complex piece of work and is not due to be finished until after the budget is finalised. It will be reported to Cabinet in the first half of next year. For this reason the later two years of the capital programme should be regarded as indicative only.
- 7.5 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 2013-14 relies solely on internally generated resources . It is not planned to draw on the limited borrowing capacity nor on any capital receipts.

- 7.6 A proposed programme with commentary totalling £34.2m is included as Appendix 6. Funding is proposed as follows:

Funding Source	£m
Decent Homes Grant	6.5
Internally generated funds	27.7
TOTAL	34.2

- 7.7 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.

Appendix 6

Draft Haringey Council Capital Programme 2013/14 to 2015/16

Draft Capital Programme 2013/14 to 2015/16		Total Planned Expenditure Budget			Total Funding Source (3 yrs)					Section 106	Use of reserves	Total
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2013/14	Indicative Original Budget 2014/15	Indicative Original Budget 2015/16	Total	Grants & Contribution From Private Developers & Leaseholders	Capital Grants From The National Lottery	Capital Funding From G.L.A Bodies	Use Of Capital Receipts	£'000	£'000	£'000
	Place and Sustainability											
1	Growth on the High Road - Tottenham Regeneration	3,013	0	0	3,013	0	0	1,975	800	238	0	3,013
2	Northernland Park Accessibility and Parking	3,296	547	1,483	5,326	0	0	2,826	2,700	0	0	5,326
3	Green Lanes OLF	1,359	0	0	1,359	0	0	1,078	0	225	56	1,359
4	Tottenham Hale Gyralory	500	1,778	0	2,278	900	0	0	1,378	0	0	2,278
5	Lordship Lane	160	0	0	160	0	160	0	0	0	0	160
6	TIL - Corridors/Neighbourhood/Smarter Travel	2,123	0	0	2,123	0	0	2,123	0	0	0	2,123
7	TIL - Local Transport	100	0	0	100	0	0	100	0	0	0	100
8	TIL - Principal Road Maintenance	760	0	0	760	0	0	760	0	0	0	760
9	TIL - Bridges	446	0	0	446	0	0	446	0	0	0	446
10	TIL - Wood Green Town Centre	3,600	0	0	3,600	0	0	3,600	0	0	0	3,600
11	Repair & Maintenance of Council Buildings	750	750	750	2,250	0	0	0	2,250	0	0	2,250
12	Accommodation Strategy	1,325	2,750	700	4,775	0	0	0	4,775	0	0	4,775
13	Street Lighting	400	400	400	1,200	0	0	0	1,200	0	0	1,200
14	Planned Carriageway & Footway Maintenance	4,000	500	500	5,000	0	0	0	5,000	0	0	5,000
15	Road Safety & Structures	150	150	150	450	0	0	0	450	0	0	450
16	Bruce Castle	200	0	1,000	1,200	0	0	0	1,200	0	0	1,200
17	Borough Parking Plan	300	100	0	400	0	0	0	400	0	0	400
18	Homsey Town Hall	1,100	2,100	2,100	5,300	0	0	0	5,300	0	0	5,300
19	Tree planting programme	65	0	0	65	0	0	0	65	0	0	65
20	Down Lane Park - Master Plan Implementation	250	0	0	250	0	0	0	250	0	0	250
21	Capital Delivery	50	50	50	150	0	0	0	150	0	0	150
	Total Place and Sustainability	23,947	9,125	7,133	40,205	900	160	12,708	25,918	463	56	40,205

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Draft Haringey Council Capital Programme 2013/14 to 2015/16

Draft Capital Programme 2013/14 to 2015/16		Total Planned Expenditure Budget			Total Funding Source (3 yrs)			Use of reserves		Total	
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Indicative Original Budget 2015/16 £'000	Total £'000	Capital Grants From Central Government Departments (inc SCE(C)) £'000	Grants & Contribution From Private Developers & Leaseholders £'000	Use Of Capital Receipts £'000	Prudential Borrowing £'000	Use of reserves £'000	Total £'000
Children & Young People's Service											
Secondary Schools											
22	ICT MSP Contract	400	0	0	400	400	0	0	0	0	400
23	Lifecycle Works	1,400	200	200	1,800	171	0	0	0	1,629	1,800
	(A) Sub-total BSF Programme	1,800	200	200	2,200	571	0	0	0	1,629	2,200
Primary and Pre-School Programme											
24	Broadwater Farm ILC	2,646	0	0	2,646	1,263	0	0	1,383	0	2,646
25	Rhodes Avenue Expansion to 3 FE	3,479	1,177	87	4,743	1,763	0	2,033	947	0	4,743
26	Rhodes Avenue cost of dispute	500	0	0	500	500	0	0	0	0	500
27	Mulberry Modernisation	301	0	0	301	301	0	0	0	0	301
28	Earlsmead - temporary expansion	4	0	0	4	4	0	0	0	0	4
29	Alexandra - Primary Expansion	1,383	513	0	1,896	1,796	100	0	0	0	1,896
30	Belmont - Primary Expansion	1,460	1,724	0	3,184	1,724	0	0	1,460	0	3,184
31	Weibourne - Primary Expansion	2,660	1,146	0	3,806	1,146	0	0	2,660	0	3,806
32	Primary Pupil Place expansion fund	2,000	2,000	1,700	5,700	3,600	100	0	2,000	0	5,700
	(B) Sub-total Primary and Pre-School Programme	14,433	6,560	1,787	22,780	12,097	200	2,033	8,450	0	22,780
Planned Asset Improvement											
33	Planned and reactive condition works	1,000	500	500	2,000	1,792	0	0	208	0	2,000
34	School Kitchen enhancements	200	200	200	600	600	0	0	0	0	600
35	Electrical infrastructure upgrades	281	8	0	289	289	0	0	0	0	289
36	Carer Home adaptations	100	100	100	300	100	0	0	200	0	300
	(C) Sub-total Planned Asset Maintenance	1,581	808	800	3,189	2,781	0	0	408	0	3,189
37	Devolved Capital	550	550	550	1,650	1,650	0	0	0	0	1,650
38	Programme Delivery Costs	800	800	800	2,400	2,400	0	0	0	0	2,400
39	Programme Contingency	1,064	0	2,213	3,277	2,213	0	0	1,064	0	3,277
	(D) Sub-total	2,414	1,350	3,563	7,327	6,263	0	0	1,064	0	7,327
	Total Excluding BSF (B+C+D)	18,428	8,718	6,150	33,296	21,141	200	2,033	9,922	0	33,296
Total Children & Young People		20,228	8,918	6,350	35,496	21,712	200	2,033	9,922	1,629	35,496

Draft Haringey Council Capital Programme 2013/14 to 2015/16

Draft Capital Programme 2013/14 to 2015/16		Total Planned Expenditure Budget				Total Funding Source (3 years)			
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Indicative Original Budget 2015/16 £'000	Total £'000	Capital Grants From Central Government Departments (inc SCE(C)) £'000	Other Grants £'000	Use Of Capital Receipts £'000	Total £'000
Adults and Housing									
40	Major Adaptations in Non Council Owned Properties	1,536	1,536	1,536	4,608	2,508	0	2,100	4,608
41	Compulsory Purchase - empty properties	500	500	500	1,500	0	0	1,500	1,500
Total Adults and Housing		2,036	2,036	2,036	6,108	2,508	0	3,600	6,108

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Draft Haringey Council Capital Programme 2013/14 to 2015/16

Draft Capital Programme 2013/14 to 2015/16		Total Planned Expenditure Budget			Total Funding Source (3 yrs)					
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Indicative Original Budget 2015/16 £'000	Total £'000	Capital Grants From Central Government Departments (inc SCE(C)) £'000	Capital Funding From GLA Bodies £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) / Major Repairs Allowance (MRA) £'000	Total £'000
Housing Services (Housing Revenue Account (HRA))*										
42	Mechanical and Electrical	1,250	1,250	1,250	3,750	0	0	0	3,750	3,750
43	Asbestos Removal	100	100	100	300	0	0	0	300	300
44	Boiler Replacements and Major Repairs	3,500	3,500	3,500	10,500	0	0	0	10,500	10,500
45	Lift Improvements	2,181	2,181	2,181	6,543	0	0	0	6,543	6,543
46	Structural Works	200	200	200	600	0	0	0	600	600
47	Capitalised Repairs	4,400	4,150	4,150	12,700	0	0	0	12,700	12,700
48	Extensive Void Works	1,450	1,621	1,450	4,521	0	0	0	4,521	4,521
49	Decent Homes	15,500	35,480	30,938	81,918	33,931	0	37,658	10,329	81,918
50	Aids and Adaptations	1,200	1,200	1,200	3,600	0	0	0	3,600	3,600
51	Professional Fees	1,671	1,750	1,750	5,171	0	0	0	5,171	5,171
52	Energy Efficiency Programme	100	0	0	100	0	0	0	100	100
53	Conversions/Employment	250	0	0	250	0	46	204	0	250
54	Development Opportunities	300	0	0	300	0	0	300	0	300
55	Infill	1,150	0	0	1,150	0	0	1,150	0	1,150
56	Loft Conversions	250	0	0	250	0	0	250	0	250
57	Supported Living	500	500	500	1,500	0	0	1,500	0	1,500
58	Estate Improvements	200	200	200	600	0	0	600	0	600
59	Other Capital Works	0	3,686	0	3,686	0	0	3,686	0	3,686
Total Housing Services (Housing Revenue Account)		34,202	55,818	47,319	137,339	33,931	46	45,348	58,014	137,339

Draft Haringey Council Capital Programme 2013/14 to 2015/16

Draft Capital Programme 2013/14 to 2015/16		Total Planned Expenditure Budget			Total Funding Source (3 yrs)			
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Indicative Original Budget 2015/16 £'000	Total £'000	Use Of Capital Receipts £'000	Financing From General Fund Revenue Account £'000	Total £'000
Corporate Resources, Assistant Chief Executive & Cross-Directorate								
60	IT Capital Programme	250	250	250	750	750	0	750
61	Alexandra Park & Palace - regeneration	850	250	350	1,450	0	1,450	1,450
62	Alexandra Park & Palace - maintenance	500	500	500	1,500	1,500	0	1,500
Total Corporate Resources, Assistant Chief Executive & Cross-Directorate		1,600	1,000	1,100	3,700	2,250	1,450	3,700

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HRA 2013-14 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 where appropriate, 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 budget was increased in 12-13 to help clear the backlog and this higher level of funding will continue into 13-14.
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 – £4.000m
- 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. The budget has been reduced in 2013-14 in line with expected expenditure.
7. Extensive Void Works – £1.650m
- 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 £1.350 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. Professional Fees - £1.671m
- 8.1 This budget funds the professional fees for quantity surveying and other professional advice and support to the programme.
9. Decent Homes - £15.5m
- 9.1 The GLA has allocated Decent Homes backlog grant of £6.45m in 2013-14 to make an estimated 359 homes decent. It is proposed that an additional £9m is allocated for 2013/14 from HRA internal resources.
- 9.2 A separate report is due to be presented to Cabinet in December recommending agreement of a detailed programme. The programme will again be focused on making the external fabric of all our stock wind and weatherproof but also includes essential boiler renewal and rewiring.
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. Energy Conservation - £0.100m

- 11.1 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.
12. Conversions and Worklessness - £0.250m
- 12.1 The aim of this project is to identify innovative ways of making best use of existing council owned assets to maximise affordable housing in the borough and assist in tackling worklessness in the borough with the recruitment of work placements.
- 12.2 A small grant of £46k has been provided by the GLA to support this scheme so the net call on HRA resources is £204k
13. Development Opportunities - £300k
- 13.1 This is a project to invest in our housing estates in a way that provides new housing (both for market sale and social rent), brings back into use derelict and under-used parcels of land; contributes towards the creation of mixed and balanced communities; and provides training opportunities for local people.
- 13.2 Land agreements will be entered into with developers and registered providers for them to build on infill sites of HRA land that have development potential. The value in the land is used by the Council to invest in the development with a contractual provision that the developer transfers a proportion of the completed units to council ownership to be let at social rent as council housing; and agrees to share its developer's profit to provide a capital receipt in respect of any units sold on the open market.
14. Infill - £1.150m
- 14.1 This bid is similar to the preceding one but focused on infill sites such as underused garages, car parks and empty spaces within a number of estates.
- 14.2 Schemes will only be brought forward where they support the Council's objectives and show individual cost effectiveness and value for money. The Council will look to use sites in the east of the borough to introduce market housing to the area while sites in the west will be used to maximise affordable housing in support of the Council's aims to meet the housing challenge in the borough. The aim will be to utilise the funding to generate additional external investment and income and this will be clearly set out in individual scheme proposals.

15. Loft Conversions - £0.250m

15.1 The aim of the project is to provide overcrowded households living in council property the opportunity to have their loft converted to provide an additional bedroom. Such works would resolve the overcrowding while allowing the family to remain in their current home and area where they are already settled. This project will build on the successful conversion programme of the last three years.

15.2 The programme will be focused in the North Tottenham area in support of the Council's priority to meet the Housing Challenge in Haringey..

16. Supported Living Schemes - £0.5.

16.1 This project will support the refurbishment of five to eight properties for supported living, each accommodating up to five people with either learning difficulties or another social care need.

16.2 The properties require investment beyond that needed for Decent Homes Standard. The delivery of such schemes enables significant reductions in commissioning spend through improved Value for Money care delivery and supports national and local policy objectives for Social Care by providing greater independence and choice for Adults with Disabilities.