



Haringey Council

Report for:	Cabinet 18 June 2013	Item Number:	
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Title:	Financial Outturn 2012/13 and Budget 2014/15
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Report Authorised by:	<i>J. Parker 10/6/13</i> Julie Parker, Director of Corporate Resources
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Lead Officer:	Kevin Bartle, Assistant Director - Finance
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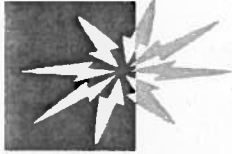
Ward(s) affected: All	Report for Key/Non Key Decisions: Key
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1. Describe the issues under consideration

- 1.1. Following the conclusion of the financial year, the provisional revenue and capital outturn for 2012/13 is set out together with proposed transfers to reserves and revenue and capital carry forward requests.
- 1.2. The Government's on-going deficit reduction programme means that Local Government funding continues to be reduced year-on-year. In the current fiscal climate the council needs to continuously assess ways in which it can operate in a leaner and more agile manner. This report sets out the steps that have been taken and principles followed that have led to identifying areas where savings can be realised. These are being recommended for agreement ahead of setting the 2014/15 budget.

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

- 2.1. I am pleased to report that the council has again risen to the significant challenge of balancing its budget against a backdrop of severe government cuts. Based on how the Government has chosen to apportion the cuts previously, we have to



Haringey Council

assume deprived areas like Haringey will continue to be the hardest hit. To date, Haringey has faced £170.34 per head of cuts, versus the London Borough of Richmond-upon-Thames which has only faced cuts of just £11.99 per head.

- 2.2. Despite this, the Council has again successfully managed the budget while still managing to protect frontline services. Staff and Members have worked hard to maintain the prudent and sensible approach to financial management of the Council's resources.
- 2.3. The Council's draft Statement of Accounts for 2012/13 is currently being finalised. This draft will be subject to audit which is due to be completed by early September. The final audited accounts will then be submitted to Corporate Committee on 19th September 2013 for approval.
- 2.4. The work on balancing the 2014/15 budget is well underway with significant progress being made to date on identifying savings that will need to be made to fill the budget gap in that year. The Government's austerity programme shows no abatement and we are forced to respond, in Haringey's case, in order to protect residents' services. Budget savings proposals are attached to this report that do not impact on our policy but clearly do have implications. They are, however, necessary. In my view it is now obvious the Government's austerity programme has failed and that we will now face an unprecedented 7 years of continuous cuts, the need to be masters of our own destiny is even more important if we are to deliver on our promise to the residents of Haringey.
- 2.5. I commend this report to the Cabinet for approval.

3. Recommendations

That Cabinet:-

- 3.1. notes the 2012/13 provisional general fund revenue outturn, after proposed transfers to reserves and carry forwards, of a £6m surplus and the reasons for variances set out in Appendix 1;
- 3.2. approves the proposed transfers to reserves of £0.58m and the revenue carry forward requests of £1.839m set out in Appendix 1;
- 3.3. notes the provisional Housing Revenue Account (HRA) outturn deficit of £0.126m and the reasons for variances set out Appendix 2;
- 3.4. approves the charging of the net overspend position on the Homes for Haringey Company Account (£105k) against the Housing Revenue Account (paragraph 10);
- 3.5. notes the provisional position on the Dedicated Schools Budget (paragraph 6.5);
- 3.6. notes the provisional General Fund capital outturn position of a £2.4m surplus set out in Appendix 3;
- 3.7. approves the proposed capital carry forward requests of £2.609m set out in Appendix 4;



Haringey Council

- 3.8. approves draft savings proposals, to be recommended to the Council at its meeting in February 2014 for the Council's MTFP 2014/15 – 2016/17, set out in Appendix B;
 - 3.9. notes the approach to the proposed Zero Based Budgeting (ZBB) exercise as set out in paragraph 16; and,
 - 3.10. approves the budget virement, re-profiling and reserve transfer requests for 2013/14 set out in Appendix 5.
- 4. Other options considered**
- 4.1. The reporting of the Council's outturn and management of financial resources is a key part of the role of the Chief Financial Officer (S151 Officer) and there are no other options available.
 - 4.2. The budget cycle could be based on the same timetable as last year with savings for 2014/15 being considered at the December 2013 Cabinet meeting. Alternative savings could also be identified, but those detailed in this report are considered to provide the appropriate balance across services, reflecting the Council's priorities and the timescales for implementation.
- 5. Background information**

Financial Outturn

- 5.1. This report sets out the provisional outturn position for the General Fund, Housing Revenue Account, Dedicated Schools Budget, Collection Fund and the Capital Programme for 2012/13. The Statement of Accounts will be prepared in accordance with the Accounts and Audit Regulations and the draft accounts (which will be subject to external audit) will be approved by the Chief Financial Officer before 30 June 2013.
- 5.2. The external audit of the accounts will commence in July. The auditors will submit a report on their findings, and issue their formal opinion, at Corporate Committee on 19 September 2013.
- 5.3. The report also includes a request to approve a number of virements above £100,000 for the 2013/14 budget in line with financial regulations.

Savings

- 5.4. Following approval of the Council's Medium Term Financial Plan at February 2013 Council a budget gap of c£20m for 2014/15 was estimated. Recognising and identifying where savings can be made and taking the steps needed to realise those savings will assist the budget setting process for 2014/15. The remainder of the savings required identified in the MTFP for the subsequent years of the plan are expected to be more transformational in nature and will take longer to assess.
- 5.5. In preparing the 2014/15 budget for the HRA, a 10% target has been set for Homes for Haringey for savings in 2014/15 on management budgets with a view to the money creating more space in the HRA.



Haringey Council

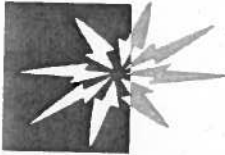
- 5.6. The Government will be publishing a spending review for 2013 (SR2013) on 26th June 2013, this may require the 2014/15 budget position to be reviewed which may change the size of the budget gap.
- 5.7. This report identifies savings proposals at a high level, analysed across directorates. It is recommended that approval is given now so that work can begin on the proposals to ensure that budgets can be reduced from 1 April 2014 with costs already at the lower levels.
- 5.8. The activity to identify this tranche of savings has been completed and work has been undertaken to identify how and where the savings will be made, details of them are set out in Appendix C.

6. Outturn 2012/13– Revenue General Fund

- 6.1. The general fund revenue outturn is summarised in Table 1 below. There is a net general fund surplus of £6.078m after carry forwards and planned transfers to reserves: the variance represents 2.2% of the net approved budget. The variances and the requests for carry forward of underspends are explained in more detail in Appendix 1. The provisional outturn is broadly in line with the period 10 projection previously reported to Cabinet.
- 6.2. The provisional position on the Collection Fund (encompassing both National Non Domestic Rates (NNDR) and Council Tax) is an overall deficit of £490k compared to a previously estimated deficit of £1.4m; this is due to improved collection performance and a corresponding effect on bad debt provision. The effects of which will be reflected when setting the 2014/15 budget. This position was anticipated and a transfer to reserves to fund the future deficit was approved by Members as part of the 2011/12 outturn.
- 6.3. A summary of the Council's provisional general fund outturn position as at 31 March 2013 is set out in Table 1 below.

Table 1 - showing the draft general fund revenue outturn summary

Directorate	Approved revenue budget	Variance from budget after transfers and carry forwards
	£m	£m
Adults and Housing (excluding HRA)	94.6	0
Chief Executive	1.5	(0.1)
Corporate Resources	8.8	(1.0)
Children and Young People's Service	83.8	0
Place and Sustainability	57.7	0
Public Health	0.9	0
Non-Service Revenue	31.1	(4.9)
Total – General Fund	278.4	(6.0)

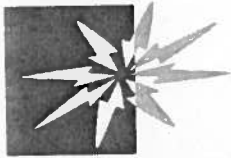


Haringey Council

- 6.4. The majority of the underspend has occurred in the Non-Service Revenue budget which consists of four main elements; Treasury Management (interest earnings and debt financing costs), contingencies and provisions, the Council's contribution to Alexandra Palace and Park, and payments to levying bodies (e.g. Lee Valley, North London Waste Authority and London Pensions Fund Authority). The underspend on NSR is mainly attributable to:
- Contingencies were not drawn upon during the year to the extent that was previously envisaged. Contingencies are established in order to provide a financial buffer against events that cannot be foreseen, and given the significant change that the Council continues to undergo, the contingency budget is understandably high. The level of contingencies will be reviewed as part of the on-going MTFP process;
 - Treasury activities continue to be managed to maximise the efficiency of the Council's borrowing, primarily through the use of internal borrowing arrangements to reduce the need to borrow externally and incur debt charges;
 - The provisional outturn for the Alexandra Park and Palace Trust shows a deficit of £1.23m, compared to a budgeted deficit of £2.1m; resulting in an £0.87m underspend which is reflected within the overall NSR underspend. The Trust have been aiming to minimise their deficit in order to fund the regeneration activities. This is in line with previous considerations by Cabinet.
- 6.5. During the year a number of schools with deficit budgets transferred to Academy status and as a result the overall level of the remaining schools' balances increased to an estimated £7m. Provision was made to cover the impact of some schools leaving their deficit with the Council, although in accordance with the relevant regulations, some took their deficit with them into Academy status. The position on the centrally retained element of the Dedicated Schools Budget (DSB) is broadly balanced.

7. Transfers to Reserves

- 7.1. At the March 2013 Cabinet meeting a number of transfers to reserves were approved totalling £7.2m; a small number of further transfers totalling £0.580m are now proposed for which Members' approval is sought.
- 7.2. It is proposed to transfer the final underspend within the Children and Young People's Service, which amounts to £280k, to reserves in order to support the transformational programme in that service in 2013/14.
- 7.3. A request is being made to transfer £300k to reserves from the IT services underspend to be used in support of developments associated with the ONESAP programme.



Haringey Council

- 7.4. The general fund underspend of £6m, broadly in line with the forecast previously provided to Cabinet, will be transferred to earmarked General Fund Reserves in accordance with the decision made by Council in February 2013. This will assist the council in dealing with risks going forward e.g. welfare benefit changes.

8. Outturn 2012/13– Capital

- 8.1. The final approved capital programme for 2012/13 was £92m. The provisional net underspend, including slippage, is £5.9m as set out in table 2 below (6.4% of the approved budget).

Table 2 - showing the draft capital outturn summary

Directorate	Approved Budget	Outturn Variance
	£m	£m
Children & Young People	17.8	1.8
Adults and Housing	3.4	0.3
Corporate Resources	5.8	(1.1)
Place and Sustainability	22.2	(3.4)
Housing Revenue Account	42.7	(3.5)
Total	91.9	(5.9)

- 8.2. Detailed explanations of the variances are set out in Appendix 2. There are two substantial overspends within the Children's Services portfolio; the Rhodes Avenue project was the subject of a detailed report to Cabinet on 16 April 2013. The second project, Broadwater Farm Inclusive Learning Campus, will be the subject of a future report.
- 8.3. A number of projects have slipped and are the subject of carry forward requests as set out in Appendix 4; the carry forward requests of £2.609m can be fully funded in 2013/14 from capital resources to be carried forward into that year.

9. Carry Forward Proposals – Revenue and Capital

- 9.1. The Council's financial regulations stipulate that Cabinet will determine any carry forward sums in respect of budget variations at the year-end.
- 9.2. Revenue carry forward proposals totalling £1.839m are shown in Appendix 1. If approved, these items will be added to relevant cash limits in the 2013/14 budget. Within the Place and Sustainability Directorate carry forward requests amounting to £969k have been requested. These relate primarily to areas where grant money has been received, commitments have been made but the resources will actually be spent in 2013/14.



Haringey Council

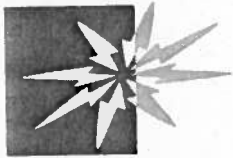
- 9.3. Within Non Service Revenue a request of £870k has been made, to carry forward the underspent resources for Alexandra Park and Palace to support their future regeneration plans, in line with previous Cabinet decisions.
- 9.4. Capital carry forward proposals are included for consideration amounting to £2.609m and are detailed in Appendix 4.

10. Housing Revenue Account (HRA)

- 10.1. The original budget for the HRA provided a planned revenue surplus of £7,514k that would fund capital expenditure including an expanded Decent Homes programme. This would have left the balance in the reserves unchanged.
- 10.2. In February, the Cabinet agreed that Homes for Haringey could call upon £1,305k additional funding to offset staff exit costs relating to the new Vision for Housing Management restructure. It was also agreed that £2m of Decent Homes Grant Funding would be brought forward from future years and used in 2012-13. The net result of these two changes will mean an increase in reserves of £695k.
- 10.3. A full list of variances against the HRA budget is shown in Appendix 2. The final revenue out-turn was an overspend of £126k against the planned surplus resulting in an actual out-turn of £7,388k. This is net of both the additional funding agreed by Cabinet in March in order to fund redundancy costs in Homes for Haringey and the proposed funding of the remaining overall shortfall on the Homes for Haringey Company Account amounting to £105k and for which Members approval is now sought.
- 10.4. The whole of the revenue surplus will be transferred to the HRA reserve. There was no call on reserves to fund capital expenditure during 2012/13 as a result of the underspend on the programme and the use of grant funding. The balance on this reserve, which is ring fenced to the HRA, will therefore increase by £6.7m. The Council's Financial policy is to maintain a working balance of at least £5m on this reserve; balances in excess of this are available to fund future expenditure and their use will be considered as part of the HRA medium term financial strategy.

Table 3 - showing the draft HRA outturn summary

Item	Revised Budget	Outturn	Variance
	£'000	£'000	£'000
Income	(106,767)	(108,327)	(1,560)
Expenditure	99,253	100,938	1,685
Net deficit / (surplus)	(7,514)	(7,388)	126
Working balance b/fwd 1 April 2012		(11,611)	
Working balance c/fwd 31 March 2013		(18,999)	
Planned closing balance as at 31 March 2013		(12,306)	
Variation in closing balance		(6,693)	



Haringey Council

11. Provisions and Contingent Liabilities

11.1. Under accounting requirements the Council is required to consider any areas where it feels there is a potential future liability. Depending on the certainty of this liability and information on the value of the liability, the Council will either raise a provision for this liability or disclose a contingent liability in the notes to the accounts. All areas for provisions and contingent liabilities are in the process of being reviewed. These will be considered in the near future and finalised and reported as part of the Statement of Accounts 2012/13.

12. Budget Virements

12.1. The out-turn report is the first report of a financial nature to be presented to Cabinet during the current committee cycle. Financial procedure rules require Cabinet to approve budget virements above £100,000 and a number have been identified for the current financial year (2013/14). Inclusion in the report presents an opportunity for approval in a timely manner.

12.2. There is a capital virement proposal this period. The weather during last winter, and the early part of spring, was exceptionally severe and led to deterioration in the state of Borough Roads. Thus it is proposed that £1.5m of capital funding indicatively allocated to be spent in 2014/15, is brought forward and spent in 2013/14 to address this problem. This is in addition to capital funding already allocated to the 2013/14 budget.

12.3. Cabinet are asked to approve the virement requests set out in Appendix 5.

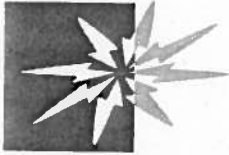
13. Savings - 2014/15

13.1. Work has been undertaken through identifying potential reductions principally to staffing, procurement and commissioning budgets.

13.2. The detailed savings proposed to date total £20m. The details of the proposals are set out in Appendix B and thus should enable Cabinet Members to understand what the savings proposals will involve. They are currently at a fairly high level. The schedule included at the Appendix is believed to be sufficient to provide members with the necessary overview to enable provisional decisions to be taken at this Cabinet meeting.

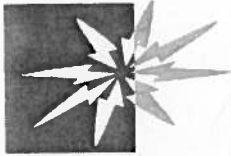
13.3. Work will be undertaken throughout the year on an ongoing basis to evaluate the impact of the proposals. If refinements are required these will be addressed in the budget setting process and when implementation decisions are made.

13.4. There are clearly risks around some of the proposals. Mitigation measures are being prepared as part of the risk assessment work.



Haringey Council

- 13.5. It is proposed to delete the draft budgetary provision for general and contractual inflation within the 2014/15 MTFP, thus contributing £3.5m of savings.
 - 13.6. This proposal to delete the inflation provision is not without risk. Directorates are now in discussion with some of the Council's major contractors advising that next year's payments will not be increased for inflation. There will be consequences to this move and potential impacts will be reported when known.
 - 13.7. The proposals in relation to Public Health (£577k) consist mainly of overhead charges that are planned to be properly levied to the Directorate from 1 April 2014. Consideration is also being given to existing services that could equally be provided by Public Health and thus funded from the Public Health grant, which would result in further General Fund savings. Additional savings proposals from Public Health, therefore, may be brought forward for further consideration in due course.
 - 13.8. The Chief Executive is reviewing management structures, senior staffing levels and pay levels. It is likely that this will result in further savings; these will be reported as proposals to be considered by members and will be included to assist in setting the 2014/15 budget.
- 14. Other matters and overall position**
- 14.1. Further work is being undertaken to review unit costs and benchmarking data to highlight where Haringey is paying above the average for particular services and to identify where the Council may be an 'outlier' in terms of costs. A targeted cash reduction is included within the proposals to bring such identified costs down to, at least, the average level. This will cover both service expenditure and support service costs. The plan is to identify actions that will bring costs down to the average which supports the saving identified. A target saving of £4m is proposed.
 - 14.2. The Council has been in a beneficial position on treasury management during 2012/13; having reviewed the budget and the potential for this to continue it is recommended that a further £2m of treasury management savings be included for 2014/15.
 - 14.3. The savings identified, if approved, will result in staffing reductions in a number of cases and thus redundancy plans may be required later in the year.
 - 14.4. Across the new savings proposals as currently drafted it is estimated that approx. 200 staff are affected, with approx. 100 posts deleted. However with around 9 months before the start of 2014/15 it is anticipated that the actual numbers of staff redundancies will be lower than this as managers take opportunities to keep posts that fall empty vacant, or only make temporary appointments.
 - 14.5. Appendix A provides a summary of the plans to identify savings of £20m that will assist in preparing a balanced budget for 2014/15.



Haringey Council

15. Service Implications

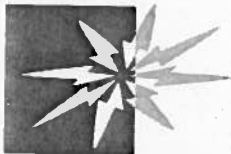
- 15.1. It does need to be acknowledged that in some cases it may be difficult to achieve a saving without impacting on policy/service provision/ performance in some way e.g. when renegotiating a contract to cover a lack of inflation increase may require a service change.
- 15.2. Given the scale of the required savings targets, directorates will try to mitigate against any negative service impact. However the size of the targets means that reductions may impact on service delivery, outcomes and performance. Council service directorates have many statutory functions and it is important to note that resultant service reductions could pose risks; efforts will be made however to mitigate such risks.
- 15.3. Notwithstanding the above, individual Council Directors believe that the savings can be delivered and cabinet approval is, therefore, sought to their implementation.

16. Zero Based Budgeting

- 16.1. The Zero Based Budgeting activity that Councillor Goldberg announced at the February 2013 Council meeting will be commenced soon. It is planned that work will be undertaken to explore what the Council will look like in the future and set the tone for the period 2015/16 onwards.
- 16.2. The programme will be in five parts:
 - insight and understanding of service performance;
 - engagement with residents and strategic partners;
 - service designs;
 - prioritisation and costing; and,
 - transition planning.
- 16.3. A needs audit and a benchmarking exercise will be undertaken to gain a better understanding of how the Council's services meet residents' expectations and how our costs and service outcomes compare with similar Councils.
- 16.4. We expect to engage with residents and partners about Haringey 'the place' through, possibly, community events and an on-line budget simulator.
- 16.5. This needs to be a fundamental reassessment and head-to-toe redesign of council services, that is fit for the future world where the like for like budget will have been reduced dramatically. It will identify what the council should look like in 2018/19 and how to get there from where the council is now.
- 16.6. This will be a significant piece of work and is expected to be completed during 2014 to inform the 2015/16 budget setting process.

17. Comments of the Chief Finance Officer and financial implications

- 17.1. This report has been prepared by the Chief Finance Officer and her comments are incorporated throughout the report.



Haringey Council

18. Head of Legal Services and legal implications

18.1. The Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution set out the process which must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget.

18.2. The Cabinet will need to ensure that where necessary, consultation is carried out and equalities impact assessments are undertaken and that the outcomes of these exercises inform any final decisions. The Council will need to ensure that any finalised proposals do not result in the Council being unable to comply with its statutory duties.

19. Equalities and Community Cohesion Comments

19.1. Equality Impact Assessments will be carried out on the budget proposals and outcomes will be included in the relevant Cabinet reports as appropriate.

20. Head of Procurement Comments

20.1. These will be inserted as the proposals progress through the different stages of approval.

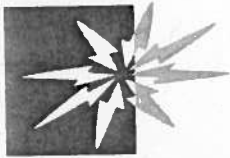
21. Policy Implications

21.1. The savings proposals included within the report are not intended to impact on Council policy.

22. Timetable

22.1. The budget setting timetable is as follows:

Cabinet	18 June 2013
Government Spending Review (SR2013)	26th June 2013
Cabinet – Financial Planning 2014/15-2016/17	9 July 2013
Budget Scrutiny	Nov/ Dec 2013
Local Government Settlement	Early Dec 2013
Cabinet – Draft 2014/15 Budget	17 December 2013
O and S to Finalise Recommendations on budget	23 January 2014
Cabinet – Final Budget	11 February 2014
Council – Budget and Council Tax Setting	26 February 2014



Haringey Council

23. Use of Appendices

Outturn report 2012/13

- 1 – Summary revenue position and detailed variance analysis, including proposed carry forwards and transfers to/from reserves.**
- 2 – Housing Revenue Account detailed variance analysis.**
- 3 – Detailed Capital Variances.**
- 4 – Capital Carry Forward Requests.**
- 5 – Virements 2013/14.**

Budget report 2014/15

- A – Summary**
- B – Detailed Proposals**

24. Local Government (Access to Information) Act 1985

n/a

APPENDIX 1

Revenue		Variation £000's + / (-)
Outturn 2012/13- explanation of variances from budget		
Children & Young People Services		
1	Looked After Children (LAC) Placements - two internal residential homes were closed during the year and budgets moved to support the external placements budget. The number of Looked after Children fell from a level of 547 at the end of March 2012 to 512 at the end of March 2013. The service continues to review the cost of placements to ensure value for money and that the needs of the individual child are met.	(326)
2	No recourse to public funds client related costs - the client caseload increased during the year because of limited Home Office support which meant that cases could not be progressed to a conclusion (whether this is the right to remain in the country or deportation). In May, the Home Office assigned a dedicated resource.	432
3	Asylum client related costs - prior year forecasts of spend were higher than actuals and this resulted in a circa £500k improvement in 2012/13 (one-off) plus client related expenditure supported by grant was lower due to reduced client numbers.	(682)
4	Children and Families Legal disbursements - lower than anticipated due to reduced numbers of LAC and improved management of demand for legal input.	(144)
5	Special Guardianship and adoption client related - 31 special guardianship orders were achieved in 2012/13 and 14 children were adopted against a target of 13. Otherwise, these children would have continued to be Looked After by Haringey and the underspend on LAC placements would have been lower.	230
6	Children and Families Staffing expenditure - management action has been taken to contain budget pressures by holding vacancies and applying grant funding to overspends.	43
7	Children and Families client related expenditure - overspent because of alternative strategies being used to safeguard clients in their own home. The new strategy of only making placements within a 21 mile radius of Haringey will reduce the costs of contact and transport in the new year.	201
8	Youth Offending Service - staffing underspend due to vacancies being held and maternity leave left uncovered in order to give staff development opportunities. Additional grant funding was received and a planned IT system upgrade has been delayed.	(279)
9	Youth, Community and Participation - underspend arising from delays in commissioning.	(37)
10	Children on the Cusp of Care - underspent due to delays experienced in the recruitment of specialist staff to deliver this new programme.	(90)
11	Prevention and Early Intervention management - vacancies were held to cover overspends elsewhere in the service and in anticipation of savings to be made in the financial year 2013/14.	(118)
12	School Standards and Inclusion Management - overspent because of specialists being appointed to advise on business transformation and improved structures of the business unit.	203
13	Early Years - underspent budgets were held to cover projected overspends in the Council's Children's Centres.	(191)
14	School Related Premature Retirement Costs and redundancies - although the Council is statutorily required to fund school redundancies, influence over school plans is limited. Additional measures are now in place to ensure that alternative options are fully explored. Increasing numbers of schools changing to academy status will also reduce liabilities in the future.	572
15	Local Authority Central Spend Equivalent Grant (LACSEG) - the service received an unringfenced grant in respect of prior years which has been transferred to an earmarked reserve following Cabinet approval for it to be used in 2013/14 to support the service improvement programme.	(576)
16	Troubled Families - is a 3 year initiative which targets the most vulnerable families living in the Borough for assistance in breaking the cycle of deprivation and need. The planned unspent balance of the grant funding will be transferred to an earmarked reserve following Cabinet approval. The reserve will be applied in future years to balance the phasing of income and expenditure to enable the service to reach Government targets.	(532)
17	Other underspent budgets - held to compensate for departmental overspends.	(94)
	Total - Children & Young People's Services - Before Transfers & c/fwds	(1,388)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
18	Local Authority Central Spend Equivalent Grant (LACSEG)	576
19	Troubled Families Grant	532
	Total Approved Transfers to / from Reserves:	1,108
	Sub-total	(280)
	Proposed Transfer to Reserves:	
20	It is proposed to transfer the remaining CYPS underspend to reserves so that it can be used to contribute to funding the Children's transformation programme.	280
	Total Proposed Transfer to Reserves:	280
	Total - Children & Young People Services (Including transfer to / from reserves & c/fwds)	0
	DSG	
21	Transfer to / from Dedicated Schools Grant (DSG) reserves - The overall position on the DSG is balanced.	0
	Total - Children & Young People Services (General Fund and DSG).	0

APPENDIX 1

Revenue		Variation
Outturn 2012/13- explanation of variances from budget		£000's
		+ / (-)

Adults and Housing Services		
22	Bad Debt Provision. The level of outstanding client contribution debt has increased this year. This was reviewed in the Autumn and an action plan put in place to reduce debt. This has been partially successful and the outstanding amount has reduced from the earlier peak. However it is still necessary to make a larger than budgeted provision.	254
23	One Borough One Future Fund This is a special one off budget to fund innovative community projects. The projects have been selected and are now underway. This money should be carried forward into future years	(1,171)
24	Directorate Management Costs There are small underspends in a number of management and administrative budgets including building management and trade union activity	(60)
25	Older People Care Commissioning . Demand for care continues to rise as people live longer and require more intensive care packages to allow them to remain living independently. This is creating a strong budget pressure which has been contained in year and partly offset by underspends in other more controllable areas.	329
26	Care Commissioning for Adults with Disabilities and Substance Misuse Problems. Haringey has significant pockets of deprivation and ill health which leads to high demand for care services for these groups.	145
27	Care Management and Reablement (inc OT) Additional funding was made available late in the year by the Department of Health for social care projects that support health. This freed up other money to be used elsewhere. However due to the late announcement it was not possible to reinvest this money fully.	(340)
28	Care commissioning for Adults with Mental Health Problems There are very high levels of psychosis and other mental illness in Haringey and demand for these services are high. In addition a number of clients have been transferred from health funding to Local Authority responsibility	228
29	Care for Adults with Learning Disabilities. This overspend relates to a number of clients where responsibility for care funding was disputed. The costs for these clients had not previously been forecast but were included at year end.	227
30	Other Social Care Variances There are small underspends in the Framework-i systems team and the Deputy Director's cost centres. The Prevention Service budget has been managed to a small overspend across the overall budget	(105)
31	Housing Related Support In preparation for further savings required in future years, the service has reviewed all contracts and been successful in negotiating efficiencies. This means some savings have been achieved slightly ahead of schedule leading to an underspend.	(619)
32	Private Sector Leasing (PSL) Renewal This is due to the employment of agency staff to improve PSL void turnaround times and negotiate favourable rental terms for new and existing leases. This unbudgeted expenditure has been offset by compensatory savings in the repairs and maintenance budget.	130
33	Temporary Accommodation Although Haringey continues to be successful in reducing the numbers of households housed in Temporary Accommodation the procurement market has become more difficult as the impact of economic downturn and welfare reform leads to increased homelessness across the capital. The balance between different types of stock has changed slightly with less PSL stock in use and the prices paid have been increasing. It has also been necessary to make increased bad debt provision.	176
34	Private Sector Housing Fee income from the work carried out for Houses in Multiple Occupation has been achieved above budget levels.	(79)
35	Housing Services The service has been preparing for further staffing savings required over the next few years by holding vacancies where possible and trying to reducing costs. This has led to an in year underspend.	(307)
Total - Adults & Housing Services - Before Transfers & c/fwds		(1,192)
Approved Transfer to / from Reserves - Cabinet 19 March:		
36	One Borough One Future Fund This is a special one off budget to fund innovative community projects and will be required in 2013/14.	1,171
Total Approved Transfer to / from Reserves:		1,171
		Sub-total
		(21)
Proposed Carry Forwards:		
37	None	0
Total - Adults and Housing Services (Including transfer to / from reserves & c/fwds)		(21)

APPENDIX 1

Revenue		Variation
Outturn 2012/13- explanation of variances from budget		£000's
		+ / (-)

Corporate Resources		
38	Director - the under spend is largely due to savings on salary costs.	(68)
39	Legal (Corporate) - the under spend is predominately due to significantly higher than budgeted external income arising from support for a number of large scale projects. This also includes some income from project work relating to 2011-12, received in 2012-13. Spend on court fees was also lower than expected.	(565)
40	Legal (Registrars) - the under spend is due to over achievement of budgeted income, forecast throughout the year.	(153)
41	IT - an underspend close to this level has been forecast since the middle of the year and the majority is due to early achievement of next years' savings as well as successful re-negotiation of a small number of large contracts.	(504)
42	Minor Variances	(11)
	Total - Corporate Resources - Before Transfers & c/fwds	(1,301)
Proposed Transfer to / from Reserves:		
43	To support developments on the ONESAP Programme.	300
	Sub-total	(1,001)
Proposed Carry Forwards:		
44	None	0
	Total - Corporate Resources (after transfer to/from reserves & c/fwds)	(1,001)

Place and Sustainability		
45	Single Front Line - Underspends due to waste income exceeding budgeted level (£310k), additional highways income (£372k) and higher than expected highways professional fee income (net of additional salary costs) (£449k) offsetting Pav & Display parking income shortfall (£405k)	(993)
46	Tottenham Team - Additional costs due to Master planning spend deemed to be revenue in nature.	124
47	Planning, Regeneration and Economy (PRE) - Underspend due to receipt of grant income to be spent in later years (£239k) and jobs fund monies awaiting contractual agreement (£300k), as well as income from Solar PV received ahead of capital repayment dates. The underspend on the worklessness programme was agreed by Cabinet in March 2013 as a transfer to reserves.	(2,283)
48	Corporate Property - Accommodation Strategy reserve monies (£284k) agreed as Transfer to Reserves by Cabinet also pressures due to delay in commencement of new Cleaning contract and rent income for Technopark.	(104)
49	Culture, Libraries and Learning - Underspends in running costs across the business unit	(68)
50	Leisure Services - Overspend due to delay in commencement in Leisure contract and Corporate bad debt adjustment (£61k)	539
51	Other minor variations	(13)
	Total - Place and Sustainability - Before Transfers & c/fwds	(2,798)
Approved Transfer to / from Reserves - Cabinet 19 March:		
52	Resources in support of the Economic Regeneration Worklessness Programme	1,560
53	Insurance receipt for 639 High Road transferred to Accommodation Reserve as agreed by Cabinet on 19 March.	284
	Total Approved Transfer to / from Reserves:	1,844
	Sub-total	(954)
Proposed Carry Forwards:		
54	Single Front Line - Air Quality Grant monies received in previous years to be spent in 2013-14.	79
55	Director's budget - Grant funding received from Homes and Communities Agency to be utilised in future years to support revenue cost of Housing Investment projects.	27
56	PRE - European Social Fund resources needed for match-funding - Monies not spent whilst awaiting finalisation of grant agreement for jobs programme work with GLA and London Councils.	300
57	PRE - Balance of allocated funds for the three year Houses in Multiple Occupation project group.	41
58	PRE - DECC Green Deal pioneer grant monies received late in 2012-13, to be spent in 2013-14	188
59	PRE - Solar PV income received ahead of repayment of borrowing	174
60	PRE - Grant funding for Housing Growth received in 2012-13, spend to support Housing Investment expected in 2013-14	50
61	Tottenham Team - Grant funding received in late 2012-13 projects under development and spend to take place in 2013-14	110
	Total Proposed Carry Forwards:	969
	Total - Place and Sustainability (after transfers to/from reserves & c/fwds)	15

APPENDIX 1

Revenue	Variation £000's + / (-)
Outturn 2012/13- explanation of variances from budget	

Chief Executive		
61	Chief Executive - this is mainly in relation to spend on transformation / shared services programmes. transformation.	299
62	OD&C - the under spend is against commissioned training.	(61)
63	Local Democracy - the under spend is due to a delay in recruiting to one post; a one-off saving against IT and the conscious decision to restrict spend on Member training.	(126)
64	Strategy & Business Intelligence - the vast majority of this under spend arises from holding posts vacant pending delivery of 2013/14 staffing savings	(361)
65	HR (Temporary Resourcing) - Higher than budgeted savings from margins applied to agency staff providers. Cabinet has agreed a transfer to reserves at the year end.	(470)
66	Minor Variances	17
	Total - Chief Executive - Before Transfers & c/fwds	(702)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
67	HR (Temporary Resourcing)/ CE Under spend - March Cabinet agreed that the underspending in relation to the Temporary Resource Centre and other areas within the CE service be transferred to the financing reserve to cover in part the costs of the Interim Director of Strategy and Performance.	600
	Total Transfer to / from Reserves - Cabinet 19 March:	600
	Sub-total	(102)
	Proposed Carry Forwards:	
68	None	0
	Total - Chief Executive (after transfers to and from reserves & c/fwds)	(102)

Public Health		
69	Minor Variances	(7)
	Total - Public Health - Before Transfers & c/fwds	(7)
	Transfer to / from reserves:	0
	Sub-total	(7)
	Proposed Carry Forwards:	
70	None	0
	Total - Public Health (after transfers to and from reserves & c/fwds)	(7)

Non Service Revenue (NSR)		
71	Contingency - draw down not required during the year	(4,565)
72	Treasury - savings from active management of the debt portfolio	(2,800)
73	Alexandra Palace - lower than planned draw on deficit funding budget.	(870)
	Total NSR - Before Transfers & c/fwds	(8,235)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
74	Concessionary Fares	500
75	Transfer to IT Infrastructure reserve agreed by Cabinet	800
76	Slippage against pre-agreed savings in 2012/13	1,200
	Total Approved Transfer to / from Reserves:	2,500
	Sub-total	(5,735)
	Proposed Carry Forwards:	
77	Alexandra Palace - carry forward under spend to support regeneration activity	870
	Total Proposed Carry Forwards:	870
	Total Non Service Revenue (after transfers to/from reserves & C/fwds)	(4,865)

APPENDIX 2

Housing Revenue Account		Variation £000's + (-)
Outturn 2012/13- explanation of variances from budget		
Housing Revenue Account		
1	Rental Income - Improved performance on void turn around times has led to an increase in chargeable dwelling rents	(737)
2	Leaseholder Income - The larger capital programme has generated a higher than budgeted recovery of leaseholder income. However this is partly offset by a change to the method of calculating bad debt provision which has increased the charge to the revenue account.	(581)
3	Net Service Charges and Other Income - As with rents improved performance on void turn around has led to an increase in charges	(119)
4	Interest Receivable . Although the HRA has held cash balances for most of the year the interest rate received has been low. This budget will be revised and updated in 2013/14.	196
5	Housing Management - A reduction in the payment of Council Tax for the void properties and savings made in energy costs	(712)
6	Bad Debt Provision - Income collection rates have been consistently under target all year resulting in increased levels of bad debt. The economic downturn has made rent collection more challenging. The income collection function in Homes for Haringey was restructured in year as part of the New Vision for Housing Management. Although this may have contributed to a short term dip in the activity of the team it is expected that performance will now improve.	951
7	Capital Financing - Debt interest charges to the HRA were lower than budgeted.	(712)
8	Impairment The capital value of some non dwellings assets (mostly shops) has fallen this year. Accounting rules under self financing require that this be recognised as a loss in the HRA accounts.	407
9	Anti Social Behaviour Action Team (ASBAT) - An additional recharge of £160k to the HRA in line with casework analysis	160
10	Other Property Costs - There have been favourable settlements on a number of property matters.	(344)
11	Hostels - Loss of rental income due to the decanting of Prothero House and an increase in bad debt provision.	180
12	Supported Housing - Shortfall of income as the unit has been working to a high specification for which they have not been fully reimbursed. Review of this area is taking place.	35
13	Additional Management Fee to Homes for Haringey - The Cabinet agreed in February to provide £1.305m additional funding from the HRA to cover redundancy and other costs arising from the New Vision for Housing Management restructure.	1,305
14	Homes for Haringey Overspend	
15	Other	105
Total - Housing Revenue Account - Before Transfers & c/fwds		(8)
Proposed Transfer from Reserves:		126
16	Transfer from HRA reserves	(126)
Total Proposed Transfer from HRA Reserves:		(126)
Total - Housing Revenue Account (Including transfer to / from reserves & c/fwds)		0
Homes For Haringey Company Account		
17	Housing Management - Although there are areas that have under spent due to vacancies being held while the New Vision project was being carried out, the cost of redundancy payments charged here (£1.8m) has resulted in an overspend. Additional funding of £1.305m (based on earlier estimates) was approved in February to cover these one off costs.	1,716
18	Resources - Held vacancies within the Finance and the Procurement teams; also underspend in IT due to lower application software costs.	(181)
19	Corporately Managed budgets - This is mainly due to the contingency budget that was not allocated and a one-off accounting adjustment on the financial system. There has also been a saving generated on the pension auto-enrolment budget that was not required. There are, however, additional accommodation costs arising from the delayed vacation of the 13-27 Station Road offices.	(766)
20	Chief Executive's Office - Held vacancies within People Management and Communications section	(204)
21	Property Services - There is a large overspend on the Haringey Repairs Service that has been reported in year. This has arisen because the cost and volume drivers related to the bonus system were leading to high costs. HfH have carried out an exercise to amend the terms and conditions to rectify this. Full year benefit will be seen next year.	845
Total - Homes for Haringey before Reserves and Transfers		1,410
Approved Transfer to / from HRA		
22	Additional funding agreed by Cabinet to pay for H4H redundancy costs	(1,305)
Total Approved Transfer to / from Reserves:		(1,305)
Total - Homes For Haringey net overspend		105

APPENDIX 3

Capital		Variation £000's + / (-)
Outturn 2012/13 - explanation of variances from budget		
Children & Young People Services		
1	BSF Programme - Budget for residual programme management, retention and contingency costs not required. Budget will be retained in lifecycle fund to cover remaining costs of the ICT managed service contract, remaining BSF energy efficiency projects, and general lifecycle maintenance to protect BSF investment.	(649)
2	Heartlands High School Playing Fields - Project awaiting completion of legal agreements between school, sports club and the Council.	(203)
3	ICT Managed Service contract capital spend - Schools have delayed spending their local choice capital budgets until near contract end.	(181)
4	Lifecycle Fund - Budget not fully committed in year, following full condition survey review of priority projects	(143)
5	Rhodes Avenue Primary School - Phases 1, 2 and 3 - The forecast overspend on Phases 1 and 2 is £2.2m in total, and has crystallised earlier than the original budget profile. Phases 1 and 2 are now complete. The Cabinet report of 16th April explains the overspend and position in respect of Phase 3.	2,830
6	Broadwater Farm Inclusive Learning Campus - Spend is in advance of profile by £411k, plus overspend due to granted extension of time claims of £900k.	1,311
7	Temporary School expansions - Temporary expansions required for 2012/13 provided for below budget.	(110)
8	Welbourne Primary School expansion - Spend ahead of profile for this expansion project. Some additional costs relating to burst Thames Water main may be recouped.	524
9	Belmont Primary School - Project cancelled and closed. Remaining budget not required.	(269)
10	Muiberry Primary School - Spend ahead of profile. Project is now complete. Budget in 2013/14 will not be required.	198
11	Aiming High - short break provision for SEN - Budget not required in current year. Grant funding is eligible to be carried forward.	(337)
12	Alexandra Park Sports Club - Project was delayed due to poor spring weather. Will now be undertaken in autumn 2013 to avoid conflict with cricket season.	(125)
13	Electrical and ICT Infrastructure - Four school re-wiring projects all completed within budget.	(131)
14	Planned condition works - Budget not fully committed in year.	(154)
15	Carer Home Adaptations - Budget is partially committed (£60k) to fund a grant to support placement of large sibling group. The grant agreement is awaiting final sign off, so the underspend is proposed for carry forward.	(100)
16	Programme Contingency - Budget not required	(500)
17	Other minor variations less than £50k	(180)
Total Children & Young People Services		1,781

APPENDIX 3

	Capital	Variation £000's + / (-)
	Outturn 2012/13 - explanation of variances from budget	

Adults and Housing Services - HRA		
18	Structural and Extensive Void Works (various projects) - These are largely demand led projects and the number of void properties having work done on them and the value of the work was under that budgeted for. These will be revised in future to avoid this level of underspend occurring again.	(1,095)
19	Lift Improvements There was a delay in signing the contracts and then one of the contractors ceased to trade. Also flooding caused disruption to some of the works at one site.	(849)
20	Decent Homes Standard A high proportion of this programme was scheduled for the second half of the year and the bad weather meant that the works did not proceed as quickly as planned. There were also changes to works and sites selected which delayed the start of some works further.	(1,070)
21	Saltram Close These works (a playground and other environmental improvements) have now been completed at less than the original estimated cost.	(170)
22	Mechanical & Electrical Works The cost in year of the IRS contract was less than estimated and there was disruption on a number of other schemes including Pirate Radio Activity.	(315)
23	Other Housing Capital Works	(1)
	HRA Subtotal	(3,500)
Adults and Housing Services - Non HRA		
24	Community Capacity Programme This is a programme funded by DoH grant. It is made up of a number of schemes that support the Adult Social Care Transformation agenda. There is slippage on a scheme at the Haven Day Centre where the works were respecified to reduce cost and in a number of IT projects	(180)
25	Disabled Facilities Grant There has been some slippage in the scheduling for this grant	(63)
26	Compulsory Purchase Orders There is an overspend on Phillip Lane where the property has been sold but the Council are still in negotiation with the original owner. The exact figure is not yet finalised but will be no more than £112k. The balance (£177k) is not an overspend as such but arises from a timing difference where expenditure has been incurred ahead of the income being received.	289
27	Private Sector Renewal The Council is part of the North London Consortium where the Council gives grants to bring empty properties back into use. The procedure is that the Council funds the works in advance and then invoices the Consortium for reimbursement. An invoice has been raised in the new financial year.	208
	Total - Adults and Housing Services (Non HRA)	254
	Total - Adults and Housing Services	(3,246)

Corporate Resources		
28	Corporate IT Programme - during the year, the Corporate IT Board review bids for resources against the Council's agreed IT capital budget and only allocate resources once fully worked up business cases are approved. The under spend is due to timings when equipment is delivered and installed which pushes some spend into 2013/14 along with some unallocated budget.	(341)
29	Infrastructure Renewal Programme - the majority of the under spend centres on the PC / Laptop replacement project which has been re-aligned with the Improving Haringey Programme.	(725)
30	Alexandra Palace - the variance is due to delays in beginning match funded work on the Colonnades.	(25)
31	Customer Services - funding agreed to undertake feasibility work around re-provision of customer service centres has been held to bring it in line with the activity around the customer services strategy. A carry forward request has been made.	(53)
	Total Corporate Resources	(1,144)

APPENDIX 3

	Capital	Variation £000's + / (-)
	Outturn 2012/13 - explanation of variances from budget	

	Place and Sustainability	
32	Parking Plan - approval of extension to Bruce Grove CPZ was delayed	(67)
33	Section 278 Highways Act 1980 - Highways works associated with Coronation Sidings can only be programmed once Network Rail have completed their works.	(407)
34	S106 Schemes - Hale Village highways works, awaiting developer approvals to the proposed design	(531)
35	Borough Roads - Overspend due to Volker Contract accrual re claim for unapplied indexation	265
36	TfL - Area based schemes - TfL changes to allocations of £500k, plus underspend on Wood Green Major Scheme of £140k due to delays re TfL traffic modelling	(640)
37	TfL - Local Transport Funding - Majority of spend transferred to revenue	(56)
38	TfL - Corridors/Neighbourhoods - Green Lanes scheme spend behind profile	(422)
39	TfL - Billing Boroughs - agreed reduction in TfL allocation	(69)
40	Tottenham Hale Gyrotory - TfL managed scheme. TfL have invoiced earlier than originally notified. The funding is available on the Council's balance sheet to cover these costs from grant, S106 and planned use of capital receipts.	2,329
41	Affordable Housing - Original budget re-profiled to future years. Remaining spend relates to decant costs of Protheroe House to be funded from HRA	144
42	Energy Saving Measures (Green Deal) - Underspend due to lower than expected take-up of Muswell Hill pilot scheme.	(365)
43	Green Lanes (OLF) - GLA grant approval was delayed, impacting on the timetable for design and development of the scheme	(563)
44	Northumberland Park Development - Highways and Parking - Spend ahead of profile as agreed with GLA.	240
45	Growth on the High Road - Tottenham. Scheme to re-landscape Tottenham Green will now commence in autumn 2013 to avoid programming clash with Tottenham Hale Gyrotory works. Consultation on public realm works in Bruce Grove was extended to consider options.	(262)
46	Corporate management of property - Only highest priority works commissioned pending further review of Accommodation Strategy.	(428)
47	Dilapidation surveys - Budget not required as expected claims did not crystallise in year.	(499)
48	Smart Working - Underspend due to review of overall Accommodation Strategy	(387)
49	Specialist refurbishment - Budget was originally planned for move of specialist equipment store. Project was cancelled pending review of service.	(150)
50	Essential property condition and health and safety works - Only highest priority works commissioned	(491)
51	Lordship Recreation Ground - Project complete but final account has yet to be agreed and paid.	(395)
52	Leisure Centre capital works - underspend as drawdown by external provider slower than anticipated in works plan. Revised spend profile to be provided once designs are finalised.	(132)
53	Downlane Recreation Ground - Underspend. Scheme is dependant on successful outcome of bid for external match funding, which has still to be achieved.	(441)
54	Other minor budget variations under £50k (net underspend).	(28)
	Total Place and Sustainability	(3,355)
	Total Capital Variances	(5,965)

APPENDIX 4

Capital		Carry forward request £'000
Capital carry forward requests from 2012/13		
Children and Young People		
1	Heartlands High School Playing Fields - The council is committed to supporting the school obtain access to appropriate playing fields	203
2	ICT Managed Service contract capital spend - The ICT contract continues until September 2013	181
3	Aiming High - short break provision for SEN - Grant funding is eligible to be carried forward for capital investment to support short breaks for SEN children and carers.	337
4	Alexandra Park Sports Club - Contractor has been engaged, but works postponed until autumn.	125
5	Carer Home Adaptations - Budget is partially committed (£60k) to fund a grant to support the placement of a large sibling group.	60
Total Carry Forward Request – Children and Young People		906
Adults and Housing Services		
6	Community Capacity Grant - to cover slippage on the Haven Day Centre Improvement works and IT projects to provide more information electronically. This will help clients and families take more responsibility for achieving their own social care outcomes.	180
Total Carry Forward Request – Adults and Housing Services		180
Corporate Resources		
7	IT Capital Programme - due to limited IT capital allocation for 2013/14 Cabinet is requested to approve carry forward of this unspent, uncommitted budget	335
8	Web Renewal - final payment to supplier following introduction of new web look and feel	5
9	Mosaic - project to implement significant upgrades to social care system for Adults & Childrens scheduled to be implemented during 2013/14	155
10	Single Front Line Mobile Working - second phase of project to deliver enhanced mobile working solution for street officers within Frontline Services	55
11	Icon Migration & Upgrade - migration of Council's central payments system from current provider to upgraded version hosted at supplier site (resulting in savings for Council). Project scheduled for implementation in May 2013.	73
12	Customer Services - a small amount of the refurbishment budget is committed in 2013/14; a request for the remaining £50k is being made to support delivery of the customer services strategy.	53
13	Alexandra Palace - the budget is committed and required to complete the match funded expenditure on Colonnade repair works.	25
Total Carry Forward Request – Corporate Resources		701
Place and Sustainability		
14	Parking Plan - commitment to complete extension of Bruce Grove CPZ	67
15	Energy Saving Measures (Green Deal) - request is to provide budget to progress Decentralised energy project	365
16	Corporate Management of Property - £87k to complete RPH air conditioning unit replacement. £100k for priority works to Libraries to reduce risk of emergency closures.	187
17	Downlane Recreation Ground - Carry forward of Council match funding required in order to secure external grant contributions.	191
18	Bereavement - budget required for residual contractor claims.	12
Total Carry Forward Request - Place and Sustainability		822
Total Carry Forward Requests		2,609

Proposed virements are set out in the following table.

Revenue Virements						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
2	PS	Rev	300	300	Budget Realignment	On-going Increased funding for the Community Safety Team
2	PS	Rev	300	300	Budget Realignment	Realignment of the income budget due to pressures on achieving the TechnoPark income target
2	PS	Rev	200	-	Additional funding	Renewal of Parks Plant/Machinery
2	PS	Rev	90	-	Contingency sum for potential additional funding	Durham University - research partnership
2	PH	Rev	789	789	Budget Realignment	Realigning Public Health (PH) budget to the newly created PH Directorate structure
2	CE/CR /SP	Rev	9,342	9,342	Budget Re-Linking	Various business units moved/relinked as agreed at Corporate Committee on 22 January 2013
2	PH	Rev	15,579	15,579	Allocation of Grant Funding	Allocation of Public Health grant funding based on planned spend.
2	CE	Rev	299	299	Budget Re-Linking	Re-Link consultation budgets from Communications to S&BI
2	SP	Rev	129	0	Budget Re-Linking	Re-linking budget for Director of Strategy & Performance from Chief Executives' Directorate to Strategy & Performance.

- Financial regulations require proposed budget changes to be approved by Cabinet. These are shown in the above table. These changes fall into one of the following categories:
 - all changes in gross expenditure and/or income budgets between business units in excess of £100,000; and
 - all changes in gross expenditure and/or income budgets within business units in excess of £100,000.
 any virement that affects achievement of agreed policy or produces a future year's budget impact if above £100,000.
- Under the Constitution, certain virements are key decisions. Key decisions are:
 - for revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
 - for capital, any virement which results in the change of a programme area of more than £250,000.
- Key decisions are highlighted by an asterisk in the table.
- The above table sets out the proposed changes. There are two figures shown in each line of the table. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year).

Proposed virements are set out in the following table.

Capital Virements						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Project	Description
2	PS	Cap	1,500	1,500	Planned carriageway and footway maintenance	Funding for works on Borough Roads brought forward from 2014/15.

1. Financial regulations require proposed budget changes to be approved by Cabinet. These are shown in the above table. These changes fall into one of the following categories:
 all changes in gross expenditure and/or income budgets between business units in excess of £100,000; and
 all changes in gross expenditure and/or income budgets within business units in excess of £100,000.
 any virement that affects achievement of agreed policy or produces a future year's budget impact if above £100,000.
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 - for revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
 - for capital, any virement which results in the change of a programme area of more than £250,000.
3. Key decisions are highlighted by an asterisk in the table.
4. The above table sets out the proposed changes. There are two figures shown in each line of the table. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year).

SUMMARY

Proposed Efficiency Saving	Pre Agreed Savings	New Savings	Total Savings
	£'000	£'000	£'000

New Revenue Savings Proposals:

Adults and Housing	1,200	3,058	4,258
Chief Executive	415	839	1,254
Children and Young People	3,785	1,232	5,017
Corporate Resources	785	430	1,215
Legal	395	298	693
Place and Sustainability	2,712	2,248	4,960
Public Health	n/a	577	577
Strategy and Performance	129	480	609
Inflation	n/a	3,500	3,500
Other	35	1,338	1,373

SUB TOTAL NEW SAVINGS PROPOSALS 9,456 14,000 23,456

Treasury Management
 Review of Unit Costs and other detailed savings to be identified during the year

TOTAL NEW SAVINGS PROPOSALS 9,456 20,000 29,456

Appendix A

SUMMARY

Proposed Efficiency Saving	Pre Agreed Savings	New Savings	Total Savings
	£'000	£'000	£'000

New Revenue Savings Proposals:

Adults and Housing	1,200	3,058	4,258
Chief Executive	415	839	1,254
Children and Young People	3,785	1,232	5,017
Corporate Resources	785	430	1,215
Legal	395	298	693
Place and Sustainability	2,712	2,248	4,960
Public Health	n/a	577	577
Strategy and Performance	129	480	609
Inflation	n/a	3,500	3,500
Other	35	1,338	1,373
SUB TOTAL NEW SAVINGS PROPOSALS	9,456	14,000	23,456

Treasury Management		2,000	2,000
Review of Unit Costs and other detailed savings to be identified during the year		4,000	4,000
TOTAL NEW SAVINGS PROPOSALS		20,000	29,456

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15	Full Year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Rationalisation of support functions	378	378	Adult & Housing Services has already rationalised much of its management and back office staff so this is a further budget reduction.		A	Dependent on moves to RPH / Alex House
2	Cumberland Road security guard and other Directorate buildings and central management costs	26	26	None identified		A	Dependent on moves to RPH / Alex House
3	Adults Services Staffing Efficiencies	200	200	This proposal is about further business process re-engineering to ensure the highest level of productivity and expectation from all staff.		A	Dependent on moves to RPH / Alex House
4	Shared Lives Service (Adult Fostering for people with Learning Disabilities)	70	70	No negative service impact; based on achieving increased productivity		G	
5	Reablement Team Efficiency improvements/reduction in management, admin and non contact time etc.	120	120	The aim is to minimise impact through further management and back office efficiencies.		A	
6	Framework I systems team rationalisation	45	45	This team services the children and adults client database and the proposal is a further cut to this team which could reduce its overall responsiveness to social care staff.	The Systems team supports both Adults and Children's Social Care. Reduction may mean greater support is required from IT for upgrades etc	G	
7	Finance teams (financial assessments and adults payments team) - streamline and centralise in Corporate Resources/Customer Services	180	180	These are back office services but are crucial for effective operations. Reducing the team without impact on performance will depend on improvements in process and systems	The teams will be integrated with Procurement or Customer Services - with opportunities to explore further joined up working. This may result in some reorganisation in those services	A	This assumes that these teams can be integrated into central support functions
8	Care and Placements Budget	1,420	1,420	Achieving this saving will require a range of approaches including deployment of very strict controls and adherence to the Fair Access to Care Criteria; reviewing and reducing care packages where possible; tight system of authorisation; potentially longer waiting times for non-urgent services; ensuring value for money commissioning and contracting using the standardised tools such as the Care Funding Calculator and robust market management; good application of market benchmarking data.		A	The Care and Placements budget is a demand led budget, as such there is a risk that external factors such as demography could act against the cost control measures outlined.
9	Supplies and services savings on Housing and Adults	106	106	No impact		G	
10	Housing Management Rationalisation	186	186	This saving includes a reduction in senior and middle management. As such it has the potential to weaken management capacity to deliver later transformational savings and preventative work	Likely to involve new ways of working more closely with Homes for Haringey to streamline services across organisational boundaries	A	

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15	Full Year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
11 Community Housing Staffing Efficiencies		77	77	This deletes two posts and will have some impact on performance		A	
12 Housing Related Support		250	250	This is a procurement saving. Contract efficiencies will be achieved through renegotiation with providers.	HRS has a high preventative impact. Any drop in performance would lead to pressures elsewhere.	A	Dependent on successful renegotiation with providers
TOTAL NEW SAVINGS PROPOSALS		3,058	3,058				

DIRECTORATE: Chief Executives

Prepared by: Paul Ellicott

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Review of internal operations in CE and electoral registration	56	56	Consolidation of activities and funding	No impact	G	
2	Re-procurement of SAP contract	325	325	No impact	No impact	A	Dependant on final award and contractual evaluation
3	Reduction of staff in Revenues, Benefits and Customer Services	155	155	Depends on demand - 136 hours per week reduction overall.	Reduction of staff handling customer enquiries could have a negative impact on back office.	A	Variations in increased demand
4	Reduction of support staff in HR	47	47	Will likely impact on level of HR advice given to service mgrs and directorate mgt	Mgrs will have to do more for themselves without HR advice/ support	A	Poorer people mgt delivery/ increased employee claims
5	Savings in existing IT contracts	100	100	No impact	No impact	G	
6	Reduction of staff in ITS	156	156	Reduction in responsiveness to IT requests raised by services	Reduced speed of resolving IT issues and IT developments.	A	Levels of acceptable risk
TOTAL NEW SAVINGS PROPOSALS		839	839				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Children & Families Finance Team - cut staffing budget by 50%	210	210	This is a back office service but critical to the business. Reducing the team without impact on performance will depend on improvements in process and systems.	The team would be reorganised prior to being integrated with Procurement.	A	Achievement depends on cultural and process change in Children's social care.
2	Delete 1 FTE screening post in C&F Admin	26	26	Haringey 54k will deliver the Early Help offer which will ensure more families get help earlier from universal services rather than Children's social care.	None.	G	Depends on implementation of H54k, resource for realignment of workforce and the need for a partnership approach to delivering the Early Help Service for families.
3	Income generation - Attendance & Welfare; Education Psychology following academy conversions	50	50	None.	Academies will be required to buy the non-statutory elements of these services.	G	Academies may buy these services elsewhere.
4	Delete 3 Education & Safeguarding posts	100	100	None.	None.	G	Posts currently vacant.
5	Reorganise 3rd tier - delete a further 2 Heads posts	170	170	Any capacity issues will need to be carefully managed whilst there will be a benefit from more integrated services.	Will need to be managed.	A	Potential on capacity to deliver 2014-15 savings and Haringey 54k
6	Delete 7 admin scale 5 posts	210	210	Will be managed by the service.	None.	A	Depends on implementation of smart working, otherwise risk that key administrative tasks pass to social workers, increasing their time spent processing / reducing time for client facing activities.
7	Delete vacant 4YP Nurse post	64	64	None.	None.	G	Post currently vacant.
8	Delete balance of an additional Contact post (reduction of 3 posts in 203/14 & 2014/15)	10	10	None subject to achievement of planned LAC number reductions	None.	G	LAC place number reductions
9	Delete 2 placement officer posts as LAC numbers reduce	78	78	None subject to achievement of planned LAC number reductions.	None.	G	LAC place number reductions
10	Fostering review (balance of £155k saving after £125k pre-agreed)	30	30	Will be managed by the service.	Will be managed within the Directorate	A	Dependant on outcome and implementation of current review.
11	Delete remaining Trainee social worker capacity	42	42	Minimal impact.	None.	G	Posts will be vacant by then.
12	Delete 2 Independent Reviewing Officer posts as numbers of Looked After Children reduce	130	130	Opportunity cost of developing an effective service, otherwise none subject to achievement of planned LAC number reductions.	None.	A	LAC place number reductions
13	General reduction in supplies and services across department	112	112	Minimal impact.	Link to accommodation savings.	G	
TOTAL NEW SAVINGS PROPOSALS		1,232	1,232				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Insurance Premiums - Reduction in revenue contributions required to the internally funded insurance reserve - largely through reducing current expenditure on legal fees via use of new Government Portal. The savings would be in Directorate insurance budgets,	150	150	None expected	None expected - although services will need to respond quickly to requests for claim information as delays would impact on legal costs. In mitigation of this, training / liaison with services has already begun.	G	See 'impact on other Services'
2	Corporate Finance - this further sum will be added to the existing pre-agreed staffing savings (£550k).	154	154	At this stage it is assumed that reduced staff numbers will be mitigated by improved efficiency, enhanced staff training / capability & revised approach to risk management.	Plan to avoid	G	Further reductions to Corporate Finance will require budget holders to maintain and in some areas improve their financial skills.
3	Procurement - secure further funding / income from leading on sub-regional work. Further work required to properly quantify value and achievability.	50	50	None expected	None expected	A	Detailed proposals / market testing yet to be undertaken. These could highlight lack of appetite for the service & lack of sustainable funding.
4	Procurement - reduction in headcount over and above existing pre-agreed saving.	44	44	Not yet quantified	Not yet quantified	G	Not yet quantified
5	Audit & Risk Management - savings likely to come from a reduction in the audit hours purchased through the existing contract.	32	32	Not yet quantified	Not yet quantified	G	Will need to ensure that any reduction does not lead to increased external audit costs.
TOTAL NEW SAVINGS PROPOSALS		430	430				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	External income in relation to S106, disposals commercial leases and notices.	180	180	None	No impact	A	This is dependant on the level of commercial work continuing to stay at the current level and the legal Property and Planning team does not reduce further.
2	Increase income target for Registrars	58	58	None	Fees and charges would stay the same for the public.	A	This is only possible if there are no legislative changes which adversely affect income.
3	Increase in legal charges to Homes for Haringey.	40	40	None	Homes for Haringey will have to pay increased legal charges. Charges to Homes for Haringey have not increased since April 2010.	G	This is dependant on the level of work from external sources continuing to stay at the current level and the legal teams supporting the work team do not reduce further.
4	Increase in external commercial charges	20	20	None	Increase to businesses looking to rent commercial properties, developers seeking planning permission and purchasers of property.	A	May result in difficulty in interested parties and therefore not benefit the council as a whole.
TOTAL NEW SAVINGS PROPOSALS		298	298				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
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£'000	£'000
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New Revenue Savings Proposals:

Staffing Related

1	Libraries - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50	Level of saving is equivalent to a 5% reduction in staff across the Directorate. As far as possible this will be achieved by not filling vacancies/ reducing the use of agency staff. However, there is a risk that there could be a drop in performance levels or delivery of projects will be compromised depending on where vacancies fall/ level of sickness.	n/a	A	Reduced ability to cover for vacancies or sickness. Saving may not be achieved if turnover remains low and vacancies do not occur or if vacancies are concentrated in one area meaning agency need to be employed to ensure service is provided	
2	Parks - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	94	94		n/a	A		
3	Property - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50		Advice and support to other services above business as usual activity could reduce (currently high demand)	A		
4	Single Frontline - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	219	219		n/a	A		
5	Planning, Regeneration and Economy - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	135	135		n/a	A		
6	Staff Reductions within Parking	220	220	Savings comprise efficiencies gained through the implementation of new technology and further delayering. There should be no overall impact on performance.	n/a	A		The delayering element is subject to consultation and will require HR support.
7	Wood Green library staff	34	34	This will reduce the amount of dedicated space available to teenagers (and children). A smaller Youth area will be created in the children's library. As the Youth library has been subject to ad hoc closures, relocation will result in a more stable service. Integration of Youth Library with the Children's Library will reduce the need for cover.	n/a	G		
8	Merge Play / Handyman	41	41	This will have an impact on quantity and response time to maintenance items in playgrounds and general parks infrastructure and will negatively	n/a	G		
9	Remove Remaining Recruitment and Retainment Allowances in Planning, Regeneration and Economy	12	12	Reduce staff morale	n/a	A		
10	Phase 2 Restructure of Single Frontline	100	100	None expected	n/a	G		
Running Costs / Contractual Related								
11	Reduce IT Budgets - Libraries	50	50	Some risk that IT systems may fail and impact on stock issue	IT to review existing library systems	A		
12	Running Cost Savings Libraries	35	35	None	n/a	A		
13	Car Allowance Reduction - Leisure/ Libraries	10	10	None	n/a	G		

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
14	Remove Funding for North London Business	28	28	This would remove last funding for supporting businesses	n/a	A	
15	Supplies and Services reductions in Planning, Regeneration and Economy	25	25	Lack of existing funding for Local Development Framework	n/a	G	
16	Further Saving from Centralising Budgets in Services / Total Facilities Management	100	100	To Be Determined - original saving based on efficiency. Further savings likely to require service reduction.	All hard and soft facilities management budgets in services to be centralised. Some site management staff and salary costs to transfer to central team.	A	Proposal needs further scoping exact level of saving possible is unclear - existing pre-agreed saving of £100k in this area
17	Contract Savings / Car Parks	20	20				
18	Efficiencies in Veolia Contract and reduction of ad-hoc contractual spend	250	250	Less flexibility for one-off 'extras' to be delivered	n/a	A	Subject to agreement with contractor
<u>Income Related</u>							
19	Inflation on Service Level Agreement for Grounds Maintenance with Homes for Haringey	25	25	None	Small increase in charge to HRA	G	
20	Increase Differential Between Planning Income and Staffing Costs	100	100	Possible impact on planning performance if income does not increase	n/a	A	Assumes continued growth in planning income can be achieved without equivalent increase in staff resources
21	Further increase Street Works Income (under New Road and Street Works Act)	175	175	None	n/a	G	Based on existing income levels, assumes steady growth in income
22	Further increase Scaffolding Hoarding Income	150	150	None	n/a	G	Based on existing income levels, assumes steady growth in income
23	Income from new Controlled Parking Zones	200	200	None	n/a	A	Risk that no additional income generated if Controlled Parking Zones not agreed
<u>Changes in Funding Related</u>							
24	Public Health Funding of Healthy Living Commissioning Activity moves to Public Health	75	75	None	Could potentially displace other activities from being funded from Public Health grant	A	
25	HRA Funding of Fuel Poverty post	45	45	None	Small increase in cost to HRA	G	
26	Increased Enforcement Income	75	75	None	N/A		Based on the assumption that existing income/enforcement levels will be exceeded
27	Fund General Fund salaries in Transport from increased Fee Income	330	330	None	Includes making income from Land Charges permanent (£80k)	A	Dependant on level of capital spend staying at predicted levels for 13-14 and 14/15
28	Less Overlap with Pre-Agreed Savings / Departmental Restructure	-400	-400	There is a degree of overlap in the proposals above both with existing pre-agreed savings or with the funding solutions for the planned Place and Sustainability restructure.			
TOTAL NEW SAVINGS PROPOSALS		2,248	2,248				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Public Health overheads charge	488	488	None identified	Minimal impact on procurement, finance and HR function mainly due to absorbing support for 20 WTE and administration of Public Health Grant within existing resources.	G	Limitations due to ring-fenced budget restrictions
2	Increase in 2014/15 Public Health Grant	89	89	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	A	Limitations due to ring-fenced budget restrictions
TOTAL NEW SAVINGS PROPOSALS		577	577				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				

New Revenue Savings Proposals:

Strategy & Business Intelligence							
1	Reduction in supplies & services budget	50	50	None	None	G	
2	Delete project manager post	50	50	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates. Post is currently vacant.	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates.	G	Demands for support from within own Directorate and from others continues at current levels
3	Review Feedback & Information function as part of the Residents Strategy	100	100	Dependent on Resident Strategy	Dependent on Resident Strategy	A	Residents Strategy Outcomes delayed/not achieved
Communications							
4	Reduction in staffing level	50	50	Low	None	G	None
5	Reduction in supplies & services budget	50	50	None	None	G	None
Organisational Development & Change							
6	Reduction in training costs by increasing e-learning and more efficient commissioning	130	130	None planned	Reduced face to face training	G	To be agreed with directorates
Local Democracy & Member Services							
7	Reduction in overtime spend and supplies and services. In addition, renegotiation of the webcasting contract (due in September 2013).	50	50	Low	None	G	None
TOTAL NEW SAVINGS PROPOSALS		480	480				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Service Delivery and Performance	Whole Council Impact	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Reduction in External Audit Fees	200	200	None expected	None expected	G	None expected
2	Reduction in Levies / Corporate Subscriptions	410	410	None expected	None expected	G	None expected
3	Other - Agency contract margins	500	500	None expected	None expected	A	Delivery is dependent on the outcome of the re-tendering of the Agency contract
4	Revision of External Charges / HRA - Operations	277	277		None	G	None - charge already allowed for in HRA
5	Roundings	-49	(49)				
TOTAL NEW SAVINGS PROPOSALS		1,338	1,338				