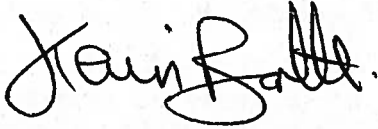


Haringey Council

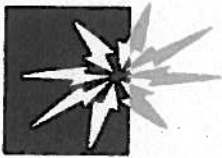
Report for:	Council 26 February 2014	Item Number:	
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Title:	Medium Term Financial Planning 2014/15 to 2016/17
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Report Authorised by:	 Kevin Bartle – Assistant Director of Finance (CFO)
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Lead Officers:	Neville Murton – Head of Finance (Budgets, Accounting and Systems Team) Barry Scarr – Interim Head of Corporate Finance
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Ward(s) affected: All	Report for Key decisions
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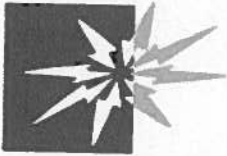
Haringey Council

1 Purpose of Report

- 1.1 To approve the final budget and Council Tax for 2014/15 and the Medium Term Financial Plan 2014-17 including the Capital Programme.

2 Introduction by Cabinet Member for Finance, Employment and Carbon Reduction – Councillor Joe Goldberg

- 2.1 We were told in 2010 that this year's budget would see the last of the cuts handed to the residents of Haringey and this Council, but we are now told now that the funding reductions made by this Government are set to continue at least until 2020, with a further £60-70m probably needing to be found over that horizon.
- 2.2 I believe these cuts have gone too far and come too fast and the fact that the 10 poorest boroughs have faced 10 times the cuts as the 10 richest is simply iniquitous and unjust.
- 2.3 Far from delivering clarity over how local authorities are funded and certainty with which to plan their use of resources, the new Business Rate Retention Scheme, has in my view introduced more complexity that makes the system impenetrable for all but a few.
- 2.4 What I do know is that by implementing their cuts through the Revenue Support Grant (RSG) authorities with high deprivation indices, like Haringey, have suffered. At the beginning of the new system all authorities started with the same proportionate share of RSG yet barely 3 years into the system, by the end of 2015/16 Haringey will have suffered a 14.8% loss of RSG in comparison to Sutton and Richmond who have only lost 10.5% and 10.4% of their RSG respectively. That represents £4.7m Haringey residents can ill afford to lose.
- 2.5 However, I have always said that our job is to move this borough forward, to champion the needs of its people, to listen to their concerns and to work with them to sustain Haringey as one of the greatest places in London to live and work.
- 2.6 That is why 2014/15 will see for the 5th year in succession a proposed freeze to Council Tax, saving £125 for the average household over that period. This policy is supported by the majority of respondents to our consultation and will put money into our residents' pockets and help them with a cost of living crisis, which has seen the value of average wages in Haringey drop nearly £3,000.
- 2.7 Last year we significantly increased our investment in roads and pavements. We can see the difference this is making, not just to the look and feel of our communities, but making them safer for pedestrians and cyclists. This is why we continue to invest in our roads and street infrastructure, which we know is key to keeping business in the borough on the move, by maintaining the increased resources we put in this year, for a further year.
- 2.8 Creating One Borough continues to be a priority for us as we invest in the future of all of Haringey for the benefit of everyone that lives and works here, East and West. We have recognised the need to invest in strategically important sites to ensure that our regeneration plans come to fruition. We will target sustainable investment so that



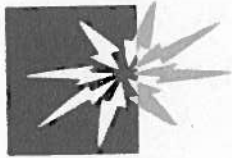
Haringey Council

Haringey can grow and flourish in the future and ensure we secure a dividend for the people of our Borough from the growth we seek to create.

- 2.9 The top priority identified in our consultation was Tackling Crime (including domestic Violence) with 85% saying that this was either very important or important to them. We have listened and we share concerns about cuts to our police force which is why we are setting aside resources to participate in a scheme to match fund police officers and deploy them in key areas to support our neighbourhood policing teams.
- 2.10 Finally we share the belief that we tackle the scandal of the legal loan shark industry by ensuring we support the alternative – namely the credit union. Since my predecessor launched the Credit Union in Haringey just five years ago it has grown from strength to strength. Our subordinated loan to help them serve a greater proportion of our residents has seen Haringey's members become the fastest growing contingent within the London Capital Credit Union. This budget goes further. I am extremely proud that from September 2014, every secondary school starter will have a credit union account opened in their name with a deposit of £20 each. This will not only help the credit union, but also help our schools incorporate work on financial management into their curriculum.
- 2.11 I commend the budget package to Council for approval.

3 Recommendations

- a) To note the proposed Budget package agreed by Cabinet on 11 February 2014, as updated, included as Appendix 6 to this report;
- b) To approve the Medium Term Financial Plan to March 2017 as set out in Appendix 1 and Cash Limits 2014/15 as set out in Appendix 2;
- c) To approve the General Fund budget requirement for 2014/15 of £281.7m, net of Dedicated Schools Grant, as set out in Appendix 1;
- d) To approve the Capital Programme to March 2017, comprising spending and funding of £294.4m as set out in Appendix 6 to the Cabinet report of 11 February 2014 (attached as Appendix 6 to this report);
- e) To approve the Housing Revenue Account Budget 2014/15 and Medium Term Financial Plan to March 2017 as set out in Appendix 5 to the Cabinet report of 11 February 2014 (attached as Appendix 6 to this report);
- f) To note the Greater London Authority precept (paragraph 6.17);
- g) To approve the reserves policy and to note the revision to and creation of new reserves, as set out in Appendix 3;
- h) To approve the estimated level of un-earmarked General Fund reserves as at 31 March 2014 of c£20m and specific and other reserves as set out in Appendix 3;
- i) To note the Budget Scrutiny recommendations made by the Overview and Scrutiny Committee and the response of the Cabinet set out in Appendix 7



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to the Cabinet report of 11 February 2014 (attached as Appendix 6 to this report);

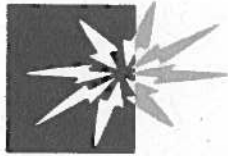
- j) To note the report of the Chief Financial Officer under Section 25 of the Local Government Act 2003 at paragraphs 7 and 8 on the robustness of the estimates and the adequacy of proposed reserves;
- k) To approve the Treasury Management Strategy Statement 2013/14 set out in Appendix 4;
- l) To pass the Budget resolution in the specified format set out in Appendix 5;
- m) to approve the consequential freeze in the Council's element of the Council Tax and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive.

4 Other options considered

- 4.1 In accordance with legislation and the Council's constitution, this report proposes the Council should note the proposed budget package agreed by Cabinet on 11 February 2014, approve the 2014/15 budget and Medium Term Financial Plan to March 2017, and approve the Council Tax for 2014/15. Accordingly no other options have been considered.

5 Background information

- 5.1 On 11 February 2014 Cabinet agreed a proposed Budget package for submission to this meeting of the Council, including a revenue budget for 2014/15 of £281.7m, with an additional indicative budget of £228.8m in respect of the Dedicated Schools Grant and a Capital Programme to March 2017 of £294.4m. This was subject to the final Local Government Finance Settlement and the decisions of levying and precepting authorities.
- 5.2 The report highlighted that significant savings still have to be identified in order to deliver balanced budgets in 2015/16 and 2016/17. The Cabinet report of 11 February 2014 (attached as Appendix 6 to this report), and the proposed budget package recommended to Full Council by Cabinet, are the subjects of debate at this meeting.
- 5.3 This report addresses:
- The Final Local Government Finance Settlement 2014/15;
 - Budget consultation;
 - The decisions of levying bodies and precepting authorities;
 - Consequential changes from the above;
 - Considerations in setting the Council Tax;
 - The robustness of the Council's budget process;
 - The adequacy of the Council's reserves; and,
 - The Treasury Management Strategy Statement 2014/15.
- 5.4 The report concludes by presenting the budget resolution to set the Council Tax for 2014/15.



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6 Key Developments

Final Local Government Finance Settlement 2014/15 and other changes

- 6.1 Details of the final Local Government Finance settlement 2014/15 were announced on 5 February 2014, too late to be included in the Cabinet report of 11 February 2014.
- 6.2 The Government has introduced a new Retail Relief Scheme which has had the effect of reducing the estimated yield from Business Rates and introducing an additional Section 31 grant to offset this loss; this has no overall effect on the 2014/15 Budget presented to Cabinet but has been reflected in the MTFP figures attached to this report.
- 6.3 In addition the level at which a referendum would be triggered following an increase in an authority's 2014/15 Council Tax was recently announced at 2%; this is the same level as for 2013/14.
- 6.4 There have been no other funding announcements or the provision of other information by the government that would change the key assumptions underpinning Cabinet's proposals to Council regarding the MTFP 2014-17, the HRA, the DSB, the Capital Programme and the Revenue Budget 2014/15.
- 6.5 After agreeing its Council Tax Reduction Scheme on 17th January 2013 a legal challenge was received. Although both the challenge and subsequent appeal were dismissed, a further appeal to the Supreme Court has been lodged. At this stage it is unclear when this appeal might be heard and so Members are reminded that this is currently outstanding and is reflected in the Chief Financial Officer's consideration of risk.
- 6.6 Any such changes that do occur following Council's approval of the 2014/15 Budget will be reported to Cabinet as part of the normal budget monitoring and financial planning processes.

Budget consultation

- 6.7 The Council consulted on its budget proposals between December 2013 and January 2014 through an online questionnaire where key financial details were presented and comments were invited.
- 6.8 The online consultation sought views on freezing Council Tax for 2014/15 and which services should be prioritised for funding. Of those who responded the majority were in favour of: freezing Council Tax; prioritising services for vulnerable people, Housing and Education.
- 6.9 The final consultation report, which is available on the Council's website, sets out the responses to the questions raised.
- 6.10 Overall, the Council's Medium Term Financial Plan broadly reflects residents' priorities and areas of concern.



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Levying bodies

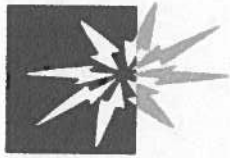
- 6.11 The Board of the North London Waste Authority (NLWA) met on 13 February 2014 and agreed an overall levy of £46.5m for 2014/15 (£41.8m in 2013/14), of which £7.375m is the levy to this Council (£6.452m in 2013/14). This reflects an increase of 14.3%.
- 6.12 The same meeting also estimated income due to the Council from the Commingled Income Payments Scheme (CIPS) will be £512k and the cost for Chargeable Household Waste will be £275k.
- 6.13 As a result, the budget provision required for the NLWA levy has increased by £923k, the CIPS income has increased by £45k, and the estimated cost for Chargeable Household Waste has risen by £69k – an overall increase of £947k. Based on estimated figures these changes had already been substantially reflected in the budget report to the December Cabinet meeting and no additional changes are now being proposed as a result.
- 6.14 Over the medium term the latest planning assumptions of the NLWA suggest an increase in the overall levy of 21.23% from 2014/15 to 2015/16; based on the estimated tonnages for Haringey the projected increase for the Council in 2015/16 is 14.9%. Further increases of 3.5% are estimated for both 2016/17 and 2017/18.
- 6.15 These estimates should be viewed with some caution, particularly as the NLWA will need to renew a number of its waste service contracts in 2014/15, following the cancellation of the procurement project in September 2013 and a possible move to 'menu pricing' in 2016/17.
- 6.16 Haringey's proposed MTFP 2014 - 2017 shown in Appendix 1 reflects the overall budget implications of these assumptions.

The Greater London Authority Precept

- 6.17 The Mayor's consolidated budget requirement for the Greater London Authority (GLA) was agreed by the London Assembly on 14 February 2014. In the light of that decision, the Mayor has set the amounts of Council Tax for the GLA and agreed the issue of GLA precepts for 2014/15. The Band D Council Tax proposed by the GLA is £299.00 in 2014/15, a reduction of £4.00 on the 2013/14 level of £303.00.

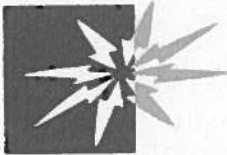
Consequential and other changes

- 6.18 The cash limits set out in Appendix 2 have been re-allocated in accordance with the Chief Executive's restructure of the Council.
- 6.19 The proposed net Revenue Budget for 2014/15 is £281.699m, representing a reduction of £6.377m compared to 2013/14. Additionally, the budget consists of £228.755m indicative Dedicated Schools Grant and a Capital Programme to March 2017 of £294.393m.
- 6.20 The Haringey element of the Band D Council Tax for 2014/15 is £1,184.32 (no increase compared to the 2013/14 level).



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- 6.21 The overall Band D Council Tax, including the GLA precept, is **£1,483.32** (a reduction of £4.00 compared to the 2013/14 level as a result of the reduction in the GLA precept from £303.00 to £299.00).
- 6.22 The MTFP to March 2017, including the Budget 2014/15, is shown in Appendices 1 and 2.
- 6.23 The draft Budget for 2014/15 is balanced, however savings of £31.3m will be required in 2015/16. At its meeting on 11 February 2014, Cabinet was advised that current projections for 2016/17 were also highlighting a budget shortfall of £22.8m. This gives a total budget gap of **£54.1m** over the two years and will be subject to regular review. Unless Government policy changes, austerity in public finances is now expected to continue until at least 2020.
- 6.24 The Council has made and will continue to make strenuous efforts to influence the government to recognise the inequity of the impact of the current arrangements on the Council's finances and to make changes to deliver increased funding in future.
- Considerations in setting the Council Tax
- 6.25 The Localism Act 2011 gave electors the right to veto excessive Council Tax rises. Councils that set 'excessive' tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.
- 6.26 The Government announced the Council Tax referendum thresholds alongside the final Local Government Finance settlement on 5 February 2014; for 2014/15 it has remained at 2% of its relevant basic amount.
- 6.27 The Government has changed the way in which the relevant basic amount of Council Tax is calculated for 2014/15 such that it now includes amounts, which were previously attributable to levies. This means that for the London Borough of Haringey the relevant basic amount is now the same as the Band D Council Tax.
- 6.28 The Secretary of State for Communities and Local Government has announced that an authority will be considered to have set an excessive increase in Council Tax in 2014/15 if the increase in the 'relevant basic amount of Council Tax' over 2013/14 is greater than 2%. The proposed freezing of the Council Tax does not give rise to an increase in excess of 2% in the relevant basic amount of Council Tax and is, therefore, in terms of the legislation, deemed as not being excessive. Council is, therefore, recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Appendix 5).
- 6.29 Accordingly, on the basis of the Cabinet's proposals for no change in Haringey's part of the Council Tax, a referendum will not be required.
- 6.30 The Government has previously announced that where Council Tax is frozen (or reduced) in 2014/15, additional funding equivalent to a 1% increase in the Band D Council Tax amount will be payable in both 2014/15 and 2015/16 and, in addition, they have now confirmed that these 'freeze grants' will be built into the Council's funding baseline from 2016/17.



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6.31 In considering the level of its Council Tax for 2014/15 the Council should have regard to:

- The level of non-Council Tax funding resources that will be available in each of the next three years;
- The on-going demand for services;
- The views of residents, trade unions, businesses and other interested parties;
- The level of efficiency savings and service reductions that can realistically be delivered;
- The criteria for a Council Tax referendum determined by the government;
- The conditions relating to, and the level of grant being offered to, councils who freeze their Council Tax increase in 2014/15;
- The general economic climate and the additional financial burden any increase would have on Council Tax payers.

6.32 The Cabinet's Budget package proposes no increase in Haringey's Council Tax in 2014/15, and recognises the consequential receipt of additional Council Tax Freeze Grant in 2014/15 and 2015/16.

6.33 The projected income from Council Tax in 2014/15 is £79.457m based on 67,091 Band D equivalent properties and a collection rate of 94% (2013/14 94%). The 2013/14 Tax Base was 63,530 Band D equivalent properties.

6.34 These changes result in total available funding (the 'Budget Requirement') for 2014/15 shown in Appendix 1 of £281.699m, as shown in paragraph 3, recommendation c), above. This is unchanged from the position presented to Cabinet on 11 February 2014.

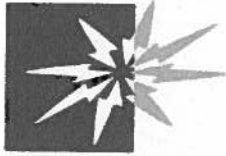
7 Robustness of the budget process

7.1 The Council's Chief Financial Officer is required by Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of final budget calculations.

7.2 The government has established a programme of public spending reductions, set out in its Spending Review of 2010 which included average funding reductions of 29% for local authorities over the four years 2011-15, with additional 2% cuts for 2014/15 announced in the 2012 Autumn Statement. In addition the government has embarked on a range of far-reaching changes across the public sector such as the transfer of Public Health responsibilities to Councils and the implementation of a range of welfare reforms.

7.3 2013/14 was both the first year of the new Business Rate Retention Scheme which allows Councils to retain a proportion (30%) of net growth in the Business Rates in its area and the localisation of Council Tax support. As such there has been significant risk and uncertainty transferred from central to local government and a need to develop ways of projecting the effects of these changes.

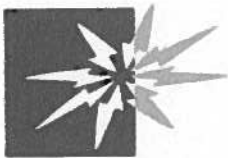
7.4 Authorities such as Haringey with high levels of deprivation are disproportionately affected by the continuation of austerity measures as the Government continues to



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transact them through the Revenue Support Grant mechanism.

- 7.5 For Haringey, the financial consequence of the 2010 Spending Review was the need to identify reductions in planned spending of some £84m by 2014. The current MTFP identifies a further funding shortfall over its life to 2017 of some £54.1m and the Government has additionally indicated that it expects austerity to continue until at least 2020.
- 7.6 To meet the unprecedented scale of this financial challenge, the Council plans to continue its approach to delivering services by prioritising front line and key services areas. The Cabinet's proposals are consistent with the overall strategic approach the Council previously agreed.
- 7.7 The Cabinet has previously agreed a number of proposals at its meetings in June and December 2013 and February 2014 which result in a proposed balanced budget for 2014/15, a budget shortfall of £31.3m for 2015/16, and a potential shortfall of £22.8m in 2016/17, that future estimations being based on the best assessment that can be made at this time.
- 7.8 The 2013/14 Budget required the delivery of significant reductions in planned spending. The Council can be encouraged that the current year's outturn is forecast to be within budget. This level of control and service and financial discipline will continue to be required over the medium term to deliver the forecast savings to 2017 and beyond. The latest formal letter from the Council's external auditor expresses the view that the Council is well placed in terms of financial resilience.
- 7.9 As in previous years, the budget proposals for 2014/15 include a designated £2m contingency sum.
- 7.10 The budget proposals have been subject to detailed scrutiny and the Cabinet has also undertaken consultation with residents and businesses.
- 7.11 The recommendations agreed by the Overview and Scrutiny Committee at its meeting on 23 January 2014, together with the responses of the Cabinet, are set out in Appendix 7 to the Cabinet report of 11 February 2014 (attached as Appendix 6 to this report).
- 7.12 The Council's Budget Consultation with residents and businesses ran during December 2013 and January 2014; the key issues were highlighted to the Cabinet and a full summary of the outcomes is also available on the Council's website.
- 7.13 The Budget process is complemented by a regular cycle of Budget Management and Performance Review. This involves detailed evaluation of budget, performance and workforce information at both Cabinet Member and senior officer levels. The Council's Risk Management process also underpins all of these activities.
- 7.14 The report to the Cabinet in February 2014, previous budget management reports and the Chief Financial Officer's comments, included on key reports during 2013 and 2014, specifically identified the major financial risk areas which needed to be taken into account in developing budget proposals.



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7.15 Accordingly, the Chief Financial Officer is satisfied the arrangements set out above constitute a robust process for the budget calculations underpinning the Cabinet's proposals for the 2014/15 Budget.

7.16 It is, however, imperative that the Cabinet and Council continue to pursue the identification, and subsequent delivery, of the additional savings required from 2015/16 onwards as set out on this report.

8 Adequacy of Reserves

8.1 Section 25 of the Local Government Act 2003 ['the 2003 Act'] also requires the Chief Financial Officer to report on the adequacy of the proposed level of financial reserves. The Council's Reserves Policy is set out at Appendix 3a, which the Council should formally review each year.

8.2 It is projected that the Council will have un-earmarked General Fund Reserves of c£20m as at 31st March 2014, being an increase on the 31st March 2013 level. The final position will be dependent however on the Council's financial outturn 2013/14 to be reported to Cabinet in June 2014.

8.3 Given the scale of the spending reductions the Council has to deliver over the period 2014-17 (and beyond) and the risks set out below it is proposed these reserves should not be used to pay for on-going spending and wherever possible, earmarked reserves should be maintained at their current levels.

8.4 The Council holds a number of reserves which are detailed in Appendix 3b and can be categorised as follows:

Non-earmarked (general) Reserves - These are held to cover the net impact of risks, opportunities and unforeseen emergencies;

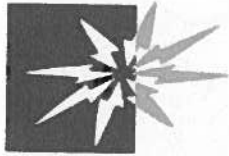
Earmarked (specific) Reserves - These are held to cover specific known or predicted financial liabilities;

Other Reserves - These relate to ring-fenced accounts which cannot be used for General Fund purposes e.g. the Housing Revenue Account and schools' accumulated balances.

Appendix 3b also shows the projected movement on the reserves for both the current year 2013/14 and for 2014/15. These reserves have been reviewed and their level judged to be adequate.

8.5 It is imperative the un-earmarked general reserves are adequate to meet the net financial impact of the risks and opportunities detailed in the report to the Cabinet on 11th February 2014 and any further areas identified in this report. These risks have been assessed as c£19m, as set out in Appendix 3c. Accordingly the proposed levels of general reserves set out in paragraph 8.2, above, are judged to be adequate within the meaning of the 2003 Act.

8.6 No change to the Council's Reserves Policy is, therefore, recommended.



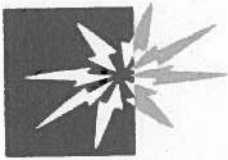
Haringey Council

9 Treasury Management

- 9.1 The Treasury Management Strategy Statement (TMSS) for 2014/15 (set out in Appendix 4) sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was initially considered by Corporate Committee on 26th November 2013. They then considered an updated version of the TMSS on 28th January 2014 and recommended it for approval by full Council. Overview and Scrutiny Committee also considered it on 23rd January 2014 as part of the scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice; they had no comments to make.
- 9.2 The pattern of short term interest rates being significantly lower than medium and long term rates is expected to continue throughout 2014/15. Therefore the strategy proposes to continue keeping cash balances at a minimum, investing short term and only borrowing when necessary.
- 9.3 The investment section of the TMSS proposes to maintain a minimum long term credit rating of A- for UK banks the Council can lend to.
- 9.4 The proposed prudential indicators are based on the capital programme as reported to Cabinet on 11th February 2014. Any future decision by the Council to undertake new borrowing for housing will require a review of the prudential indicators. Any required revisions will need to be approved by full Council.

10 Summary and Conclusions

- 10.1 This report finalises the Budget process and proposes no increase to Council Tax for 2014/15.
- 10.2 The level of financial reserves is also reported and those levels are considered to be adequate.
- 10.3 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires billing authorities such as Haringey, to calculate a Council Tax Requirement for the budget year, not its Budget Requirement as previously. The Council is also required to determine whether its increase in Council Tax for 2014/15 is 'excessive' and, if so, would trigger a referendum.
- 10.4 The recommendations of the Cabinet are reflected in the formal Council Tax Resolution in Appendix 5.
- 10.5 This is the fourth year of the public spending reductions set out by the government in the Spending Review 2010. The implications of those reductions continue to pose major challenges to the Council. Additionally the Government has indicated that financial austerity will continue until at least 2020.
- 10.6 Over this period of funding reductions, the demand for the Council's services will continue to increase and, in the medium term, it is also likely that interest rates and social care related spending will increase.
- 10.7 The Medium Term Financial Plan 2014-17 recognises these drivers and risks, but it remains essential the Cabinet and Council keep the key assumptions under close



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review, identify and deliver the requisite level of savings, maintain financial discipline and control, focus on their highest priorities and strive to improve further the value for money the Council secures from its diminishing resources.

11 Comments of the Chief Financial Officer and financial implications

11.1 As the report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

12 Assistant Director of Corporate Governance Comments and legal implications

12.1 In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council Tax are to be discharged by the Full Council.

12.2 The Local Authorities (Standing Orders) (England) (Regulations) 2001 set out the process of approving the budget and provide that the adoption of the budget and calculation of the Council Tax by Full Council is to be on the recommendation of the Cabinet.

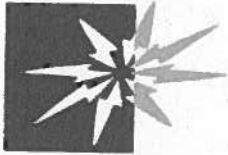
12.3 Under section 25 Local Government Act 2003, in considering decisions on the budget, and the level of Council Tax, the Council must take into account this report from the Council's Chief Finance Officer, as the Section 151 Officer, who has a statutory duty to report on the robustness of the estimates and the adequacy of the proposals for reserves.

12.4 The Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.

12.5 The Council has a legal duty to set a lawfully balanced budget and adoption of the recommendations in this report would fulfil the statutory obligations in this regard.

12.6 In accordance with section 31A of the 1992 Act, the Council is required to calculate the Council Tax chargeable by way of a Council Tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income the difference is the Council's Council Tax requirement for the year. The relevant basic amount of Council Tax for the year is calculated by dividing the Council Tax requirement after the deduction of levies by the Council Tax base.

12.7 Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council Tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed that for 2014/15 an increase in excess of 2% above the relevant basic amount will be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council Tax has recently been redefined by section 41 of the Local Audit and Accountability Act 2014, and accordingly section 52ZX of the 1992 Act has been updated. Essentially an authority's relevant basic amount of Council Tax is the authority's own level of band D Council Tax. With the proposal for a nil increase in the level of Council Tax, the Council is entitled to conclude in accordance with the



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Direction issued by the Secretary of State, that the relevant basic amount of Council Tax is not excessive.

- 12.8 In accordance with section 30 of the 1992 Act, the Council is required to set the Council Tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council Tax must declare it at the meeting and abstain from voting upon this report.

13 Equalities and Community Cohesion Comments

- 13.1 The Council must pay due regard to its public sector equality duties with regard to people who share any of the characteristics protected by sections 4 – 12 of the Equality Act 2010. These include race, sex (formerly gender), disability, age, religion or belief, sexual orientation, marriage and civil partnership and gender re-orientation.
- 13.2 Prior to making any final decisions on any proposals that may be brought forward in the medium term financial planning process the Council will assess the impacts of those by conducting Equality Impact Assessments [EqIAs], starting with an initial screening which considers whether there is a need for a full assessment.
- 13.3 A key element of the Council's EqIA process is consultation and engagement with the public, service users, community groups, the voluntary sector and our partners. All final decisions on proposals that require an impact assessment must take into account the outcomes and recommendations of the EqIA.
- 13.4 Accordingly the outcomes and recommendations of EqIAs should form the Equality / Legal comments in any report. EqIAs are published on the Council's website where practicable and are appended to the relevant reports. Actions arising from EqIAs are included in Directorate Business Plans to ensure these are implemented and progress monitored.

14 Head of Procurement Comments

- 14.1 Not applicable

15 Policy Implication

- 15.1 The Medium Term Financial Plan represents the resource framework for delivery of Council Policy and objectives.

16 Use of Appendices

Appendix 1 – Summary of the MTFP 2013/14 to 2015/16

Appendix 2 – Directorate Cash Limits

Appendix 3 – Reserves

3a: Reserves Policy

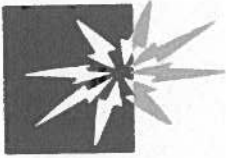
3b: Reserves and their adequacy

3c: Risk evaluation

Appendix 4 – The Treasury Management Strategy Statement

Appendix 5– The Formal Budget Resolution

Appendix 6 – Cabinet report of 11 February 2014: Financial Planning 2014/15 to 2016/17



Haringey Council

17 Local Government (Access to Information) Act 1985

17.1 The following background papers were used in the preparation of this report:

- Financial Planning 2013/14 to 2015/16 - Cabinet 12 February 2013
- Financial Planning 2014/15 to 2016/17 - Cabinet 18 June 2013
- Financial Planning 2014/15 to 2016/17 - Cabinet 17 December 2013
- Financial Planning 2014/15 to 2016/17 - Cabinet 11 February 2014

17.2 For access to the background papers or any further information please contact Neville Murton Head of Finance (Budgets, Accounting and Systems Team) on 0208 489 3176.