

Report title:	Budget scrutiny - Pre business plan review documents
Report of:	The Director of Environment and Director of Finance
Wards affected:	All
1. Purpose	
1.1	To update Members on the financial planning process and to consider the pre business plan reviews for the following business units: <ul style="list-style-type: none">•Streetscene business unit•Enforcement business unit•Recreation business unit•PEPPs business unit
2. Recommendations	
2.1	To note the latest financial planning position as set out in the report.
2.2	To consider the pre-business plan review documents, in particular the new savings and investment proposals, for the purposes of the budget process.
Report authorised by:	
	Anne Fisher Director of Environment
	Andrew Travers Director of Finance

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3. Executive summary		
3.1 The report provides an update on the financial planning process and pre-business planning documentation for scrutiny.		
4. Reasons for any change in policy or for new policy development		
4.1 None		
5. Access to information: Local Government (Access to Information) Act 1985		
5.1 The following background papers were used in the preparation of this report:		
<ul style="list-style-type: none"> • Report of the Director of Finance to the Executive 5 July 2005 – Financial planning 2006/7 to 2008/9 • Report of the Director of Finance to the Overview & Scrutiny Committee 25 July 2005 – Budget Scrutiny • Report of the Director of Finance to the Executive 1 November – Financial planning 2006/7 to 2008/9 (including the detailed PBPR documents) 		
For access to the background papers or any further information please contact Gerald Almeroth on 020 8489 3743.		

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6 Background

6.1 The Council has an agreed five-year financial strategy covering the period to 2008/09. The issues to be considered as that strategy is updated leading up to budget-setting for 2006/07 were set out in a paper to the Executive on 5 July 2005. For the most part, this confirmed the decisions already taken as part of the existing strategy. A further report was considered by the Executive on 1 November 2005 to release the pre-business plan reviews for scrutiny and a number of national and local updates were considered.

6.2 The overall position at 1 November 2005 is as follows:

	2006/07	2007/08	2008/09
	£m	£m	£m
Budget gap/(surplus) b/fwd	0	0	0
Inclusion of 2008/09 in financial planning – inflation, capital financing and estimated resources	0	0	2.25
Increase in waste disposal costs	0	0	0.50
Revenue implications of investment fund items in 2005/06	0.24	0.25	0
Increase in pension contributions	0	0	1.05
Position at 5 July 2005	0.24	0.25	3.80
Other changes and variations	0	0	0
Budget gap 1 November 2005	0.24	0.25	3.80
LBH council tax £	1,095	1,122	1,150
LBH increase %	2.5	2.5	2.5
GLA council tax £	274	295	317
GLA increase %	7.5	7.5	7.5
Total council tax £	1,369	1,416	1,467
Total increase %	3.5	3.5	3.5

6.3 The above position does not at this stage reflect any budget savings or investment proposals beyond those already agreed. The overall funding gap over the three-year planning period is £4.3m.

6.4 As part of the pre-business planning review process, targets were set for individual business units to identify potential savings opportunities. The targets took account of the level of savings already identified in current financial plans and previous years. These savings targets were aligned to the governments Gershon efficiency targets of 2.5% per annum. Ring-fenced funded services were excluded from this process. These savings

opportunities will be needed to fund any budget gap resulting from the level of Council Tax increase that is eventually agreed, and any additional investments that are agreed as part of this budget setting process. The final budget proposals will depend on the level of formula grant received from government, which will be announced in early December.

7 Pre business plan reviews

7.1 Members will recall that the purpose of the pre-business review process is to:

- ensure that the financial planning process is clearly linked with, and reflects, the full strategic agenda of the Council;
- ensure that all budget options support the achievement of community strategy objectives;
- ensure that proposals are considered in conjunction with the impact on service performance;
- ensure that budget options enhance the achievement of value for money;
- identify efficiency savings and investment opportunities both within and between business units;
- support consultation activity with key stakeholders;
- support the budget scrutiny process;
- gather information to support a number of planning processes.

7.2 The process for the 2006/07 budget was improved in the following key areas:

- Value for money – the documents make specific reference to demonstrating value for money in services, which is a new key part of the CPA process;
- a new section to capture ‘non-cashable’ efficiency savings;
- a section to review the impact of previous years investment proposals.

7.3 The reviews have now been prepared in conjunction with Executive Members and are released for scrutiny.

7.4 To assist members in the scrutiny process we have attached to this report in appendix 1 extracts of the PBPRs by business unit in respect of new proposals:

- section 13 – new capital investment proposals;
- section 14 – new revenue investment proposals;
- section 15 – new cashable efficiency savings.

7.5 Members are asked to consider these proposals in relation to 7.1 above.

7.6 Appendix 2 provides an overview of the 2005/06 budget by business unit across the Council and shows the existing and new proposals to give members a view of the overall scale of the proposals.

7.7 The following section in the report summarises the key service issues and objectives by business unit over the planning period.

8 Environmental Services Issues

- 8.1 Key strategic issues / objectives / growth and savings are set out below.
- 8.2 Business Units have prepared their plans to focus activity in 2006/07 on addressing key areas of performance improvement that are priorities for the Council and for its residents and which also impact strongly on Haringey's overall reputation and performance under the new corporate performance assessment framework.
- 8.3 The directorate will continue to focus strongly on improving the overall quality and cleanliness of the environment, including the built environment, parks and open spaces. Further improvement to recycling, better consultation and engagement with residents and service users and effective, streamlined enforcement services are also priorities for 2006/07.
- 8.4 There is a longer term need to ensure there is sufficient, high calibre capacity within the Directorate to tackle the issues that are increasingly raised by the Sustainable Communities agenda.
- 8.5 A summary of each business units vision and key objectives and including key themes to be addressed for 2006/07 is included at Appendix A.

9 Streetscene

- 9.1 In Streetscene there are four priority areas for 2006/07: recycling and waste minimisation, improving the cleanliness of the borough, traffic management and parking and improving the condition of roads and road safety.
- 9.2 Streetscene is seeking additional investment in recycling services in Haringey, both to promote participation among residents generally, but also to widen the roll out of the green organic waste collection, currently provided to approximately 50,000 households. The introduction of organic waste collections has had an important impact on the borough's recycling rate which is expected to exceed the 18% end of year target. However, increasing recycling rates continues to be a priority, particularly as councils which fail to meet government targets will be heavily penalised under the new corporate performance assessment framework.
- 9.3 Additional investment is also being sought to support the requirements of new legislation, the Traffic Management Act (TMA). There is a 'killer' performance indicator in the environmental CPA block, which could lead to intervention by the secretary of state to take control of traffic management in the borough. Additional funding for a new network management team, CCTV, systems and equipment will ensure that the Council is able to introduce a new permit scheme for utilities, monitor congestion and expand enforcement of moving traffic offences, all requirements of the TMA.
- 9.4 Streetscene has made significant improvements against the performance indicator which measures overall cleanliness standards in the borough during the current year. However, BV199 is a 'killer' PI in the new CPA and the borough will need to continue to drive up performance in order to match the

pace of improvement elsewhere in the country. Additional resources are being sought to increase the frequency of street sweeping, replace litter bins, create a detritus clean team, introduce timed and Saturday night collections in high streets and fully fund the graffiti removal service.

- 9.5 Road accidents are also a CPA 'killer' PI and funding is sought to continue to fund the team working on school travel plans and walking buses, currently funded from sources that finish in March 06. Capital funds for road safety improvements will enable a swifter response to accident hot spots and higher levels of publicity within the Road Accident Reduction Partnership. In addition to improved street maintenance, revenue is sought for a next day fix service on repairs and capital bids to deliver the Highways Asset Management Plan which include street lighting, roads, pavements, street furniture, gullies and public toilets.

10 Planning, Environmental Policy and Performance

- 10.1 Priorities for Planning, Environmental Policy and Performance (PEPP) are to contribute to successful, sustainable communities, to enhance the overall quality and sustainability of the built environment and to deliver the key sites development programme.
- 10.2 This programme of work is integral to the Community Strategy as well as a critical area of performance within the new CPA. Additional investment would improve the speed and quality of decision making and fund additional planners and planning enforcement posts, a new Design Team and the implementation of e planning and new building control systems. Extra resources would also be used to provide a contingency for appeals against planning decisions.
- 10.3 The business unit also has a statutory responsibility to develop two new policy and planning documents – the Local Development Framework (which replaces the UDP) and the Waste Development Plan.

11 Enforcement

- 11.1 In Enforcement, the three priority areas for 2006/07 are to further strengthen the street enforcement function and reduce anti social behaviour, as well as to expand the out of hours noise service for residents and improve the overall quality of private sector homes in the borough.
- 11.2 The business unit is seeking continuation of the additional one-off funding agreed for 2005/06 to strengthen and streamline the new street enforcement function. Recruitment and training of the new team is now complete and it is anticipated that there will be a significant increase in enforcement activity in key areas such as fly-tipping, litter, skip and bin management, fly posting and graffiti.
- 11.3 Additional resources are also being sought to fund new posts in order to improve the out of hours enforcement service by creating a team able to tackle a wide range of issues including noise nuisance and licensing.

- 11.4 Improving the quality of private sector housing through improved energy and fuel efficiency schemes and ensuring Houses in Multiple Occupation are properly licensed are further objectives for the business unit in 2006/07. Additional resources would be used to fund new posts to strengthen the service. It should be noted that changes to the government funding regime mean a potential reduction in grant for group repair schemes.

12 Recreation

- 12.1 Priorities for Recreation in 2006/07 are to continue to improve the overall quality of its leisure centres, parks and open spaces and to expand use among all sections of the local community. In particular, the business unit will work closely with partners to develop a range of fitness and sports activities aimed at encouraging healthy lifestyles, whilst embracing development work linked to the 2012 Olympics/Paralympics.
- 12.2 Significant progress has been made during 2005/06 to improve leisure and sports facilities in the borough. Capital and revenue investment is now being sought to invest in a substantial programme of parks renewal works, as well as to further improve cleanliness, reduce fear of crime and develop an active lifestyles and sports development programme. In addition, the business unit intends to strengthen and develop environmental outreach work and user engagement and consultation, with a particular focus upon improving the access and use of open space on estates.

13 Savings Targets

- 13.1 The impact of meeting specific savings targets have been identified in individual business plans. The savings proposals put forward have tried to minimise the impact on front line services but the directorate would want to make clear that some proposals that are included may lead to reductions in service.

14 Consultation

- 14.1 This is part of the consultation of the business and financial planning process.

15 Summary and conclusions

- 15.1 The conclusions will be for the committee to decide before agreeing a report back to Executive as part of the budget process.

16 Equalities implications

- 16.1 This is considered as part of the individual pre-business plan review documents.

17 Use of appendices

- 17.1 Appendix A – summary of business units vision and key objectives

- 17.2 Appendix 1 – extracts from the pre-business plan review documents showing:
- section 13 – new capital investment proposals;
 - section 14 – new revenue investment proposals;
 - section 15 – new cashable efficiency savings.
- 17.3 Appendix 2 – summary budget analysis document (2005/06 to 2008/09)
- 17.4 Pre-business plan review documents (circulated separately).